

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

Demarest, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Northern Valley Regional High School District

Demarest, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

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

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INTRODUCTORY SECTION

Northern Valley

Regional High School District



Administrative Offices • 162 Knickerbocker Road • P.O. Box 270 • Demarest, New Jersey 07627 • 201-768-2200

November 30, 2017

Honorable President and Members of the Board of Education

Northern Valley Regional High School District

Demarest, N.J. 07627

Dear Board Members:

The Comprehensive Annual Financial Report of the Northern Valley Regional High School District for the fiscal year ending June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in the report is accurate in all material respects. The report is designed to present an open review of the financial position and operational results of the District's various funds. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

The Northern Valley Regional School District is comprised of the municipalities of Closter, Demarest, and Haworth that are constituents of the high school in Demarest. Harrington Park, Northvale, Norwood, and Old Tappan are constituents of the high school at Old Tappan. The 17.3 square mile district has a population of 37,401 as per the 2010 census. The primary language spoken at home is: English 82.8% Korean 12.9%, Spanish 1.7%, Chinese .7%, Japanese .4%, Gujarati .2%, and Other 1%. The districts mobility rate was .4% compared to the State target rate of 2%. All of the communities are considered upper middle class. The District's high schools house grades 9 through 12 with enrollments of 1,018 at Demarest High school and 1,233 at Old Tappan High School, based on the October 15, 2016 ASSA report. The Region III program leases one non-public school location as well as classrooms at local district Public Schools to house 211 Special Education students from our sending Districts and surrounding towns.

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

The faculty consists of 311 teachers with 72% holding advanced degrees. This represents certified staff in the high schools and the regional programs. Often our staff members achieve recognition as outstanding educators.

The accomplishments of our students reflect their considerable talents and working relationship with the faculty and staff. The successes of our students extend far beyond the classroom and are demonstrated by the many awards and scholarships that they have received. Four Northern Valley Regional High School students met the requirements for designation as Finalists in the National Merit Scholarship Competition.

2) **ECONOMIC CONDITION AND OUTLOOK:** The Northern Valley Regional High School District is economically stable. Unemployment in Bergen County is 4.2% as of 2016 and the per capita income is \$75849 as of 2015. This is the latest information available on record. The district still remains the 4th highest amongst New Jersey counties and above state average. Bergen County, New Jersey is considered one of the wealthiest areas in the nation. The population of the area has remained stable since 1970. The population grew substantially between 1950 and 1970. School facilities were constructed to accommodate the educational needs. Additions were added to the school in 2004. State Aid to public school districts in New Jersey is based on the School Funding Reform Act.

The Act is an attempt to equalize educational expenditures per pupil between wealthy and poorer school districts. The last several years the Department of Education has abandoned the State Aid formulas, which support transportation aid, technology aid, special education aid, and bilingual aid due to the State financial debt. The State's inability to financially support public schools is a current topic of debate before the citizens. The District maintains a balance in their capital reserve account and set aside funds from the 2016-2017 year as a reserve to reduce subsequent tax levy. Uncertainty of state aid impacts the district's ability to plan future tax relief and facility upgrades.

The district received \$2,041,134 State Aid for the 2016-2017 school budget for the general fund. Northern Valley Regional High School District recognized the State's contribution on behalf for TPAF Pension and Social Security. These contributions are equivalent to approximately 12% of the adjusted budget, while the school district State Aid is 4% of the net school budget. The district also recognized that the State of NJ has not funded the pension contribution stated in the fiscal section of the audit. Future funding of New Jersey school districts is uncertain at this time based on the States concerns that property taxes are the highest in the country. The district notes that State Aid has remained virtually flat since 2013-2014 and are still not at the rates of 2009-2010 of \$1,893,524.

3) **MAJOR INITIATIVES:** The Northern Valley Regional High School District is continuously planning for the future. The Board and Administration review educational programs and facility needs as part of the district's annual resources review. The district updated the five year Long Range Facility Plan in 2015. The report reflects the future needs of the district. The District continues to work on projects from a 2016 referendum. The district amends the plan accordingly to reflect projects that have been completed during the school year.

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

Specific accounting controls secure district assets by processes for receipt of revenue, disbursement of purchase orders and payroll. Receipts are recorded and reconciled. Purchasing controls include multiple signatures on purchasing requests and counter

signatures on disbursements warrants. Additionally, new personnel go through a series of independent documentation before the payroll process begins. The administration provides controls that exceed minimum requirements in all of these areas.

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

5) BUDGETARY CONTROLS: The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual budget approved by the voters of the District. The budget reflected a 1.73% increase in the tax levy. Annual appropriated budgets are adopted for the general fund, the special revenue funds and the debt service fund. Capital project budgets are approved for building infrastructure improvements and are funded from the Capital Reserve Account or the issuance of long-term debt. The fund budget amounts, as amended for the fiscal year, are reflected in the financial section. Expenditures are recorded by department and location for internal purposes. This permits supervisors and administrators to monitor encumbrances so not to exceed budgetary allocations.

6) ACCOUNTING SYSTEM AND REPORTS: The District's Accounting records reflect Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds are explained in the "Notes to the Financial Statements, Note 1."

7) DEBT ADMINISTRATION: The voters of the District approved a building project totaling \$29,881,000 on September 25, 2001. The State of New Jersey, in accordance with the Educational Facilities and Capital Financing Act, has earmarked a \$6,546,180 grant to support the funding for the project. The District funded \$23,334,000 with a \$10,000,000 sale in December 2001 and a \$13,334,000 sale in February 2002. On December 20, 2006, the district refunded the school bonds based on the balance of \$19,680,000. On February 2, 2017 the district refunded the school bonds based on the balance of \$7,715,000.

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

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

On Tuesday, March 8, 2016 the voters approved a referendum for improvements at both Old Tappan and Demarest High School, including upgrades to auditoriums at both schools, the addition of physics, forensic and STEM classrooms, lighting and security upgrades, tennis courts and tracks. The total amount approved by the referendum was \$11,707,485. The District funded the projects with a bond sale of \$11,707,000 on July 12, 2016.

The district total obligation in bonds as of June 30, 2017 is \$21,167,000 (see below).

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	BALANCE JUNE 30, 2017
Refunding Bonds	02/02/2017	\$7,400,000.00	\$7,400,000.00
School Improvements:	6/29/2007	\$2,186,000.00	\$260,000.00
new boiler, new biology labs, locker rooms and electrical upgrade.			
School Improvements	8/4/2009	\$2,290,000.00	\$1,800,000.00
improvements to roofs and exterior items; windows and brick replacement			
School Improvements	7/12/2016	\$11,707,000.00	\$11,707,000.00
upgrades to auditoriums, addition of Physics, forensic and STEM classrooms			
DISTRICT TOTAL OBLIGATION AS OF JUNE 30, 2017			\$21,167,000.00

The district's additions at both high schools allow students to enjoy facilities that are appropriate for today's educational program. The district will discuss a prudent fiscal strategy during the 2017-2018 school year to provide the constituent districts with a favorable tax impact and maintain high quality facilities with reasonable longevity.

8) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements"; Note 3 The District has an approved policy authorizing the board secretary to invest current funds within the limitations of the State of New Jersey statutes. Excess funds are invested according to procedures on a continuous basis. This resulted in \$48,331 interest income for the 2016-2017 school year. This represents an increase in interest income from the previous year's total of \$27,351. This year's interest is inclusive of \$21,756 interest from Capital Projects.

9) **RISK MANAGEMENT:** The Board of Education policy states that the appropriate insurance coverage is attained at the most reasonable cost. The Board carries several types of insurance including property and liability. Property insurance including all buildings and contents is limited to \$104,075,280 loss. All insurance claims are handled through the Board Secretary and the Board appointed risk manager. These insurance limits represent significant increases in coverage with a new insurance carrier, New Jersey School Board Association Insurance Group.

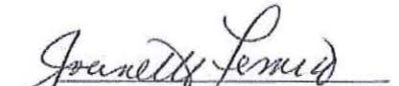
10) **OTHER INFORMATION:** State statutes require an annual audit by an independent certified public accountant or registered municipal accountant that is licensed as a public school accountant. The accounting firm of Lerch, Vinci & Higgins, LLP was approved by the Board of Education.

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

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

Respectfully Submitted


James Santana
Superintendent


Joannette Femia,
School Business Administrator/
Board Secretary

Programs

Neil Moles

Valley

Occupational & Physical Therapy

Gifted & Talented

Senior Options – Structured Learning Experience

Professional Development

Teens & Tots

Little Tots

Athletic

Access

Curriculum Development

Summer Pre K

Summer K-8

Psychiatric

Speech Evaluations

Learning Evaluations

Behavior Evaluations

Social Skills - After School

Summit Success

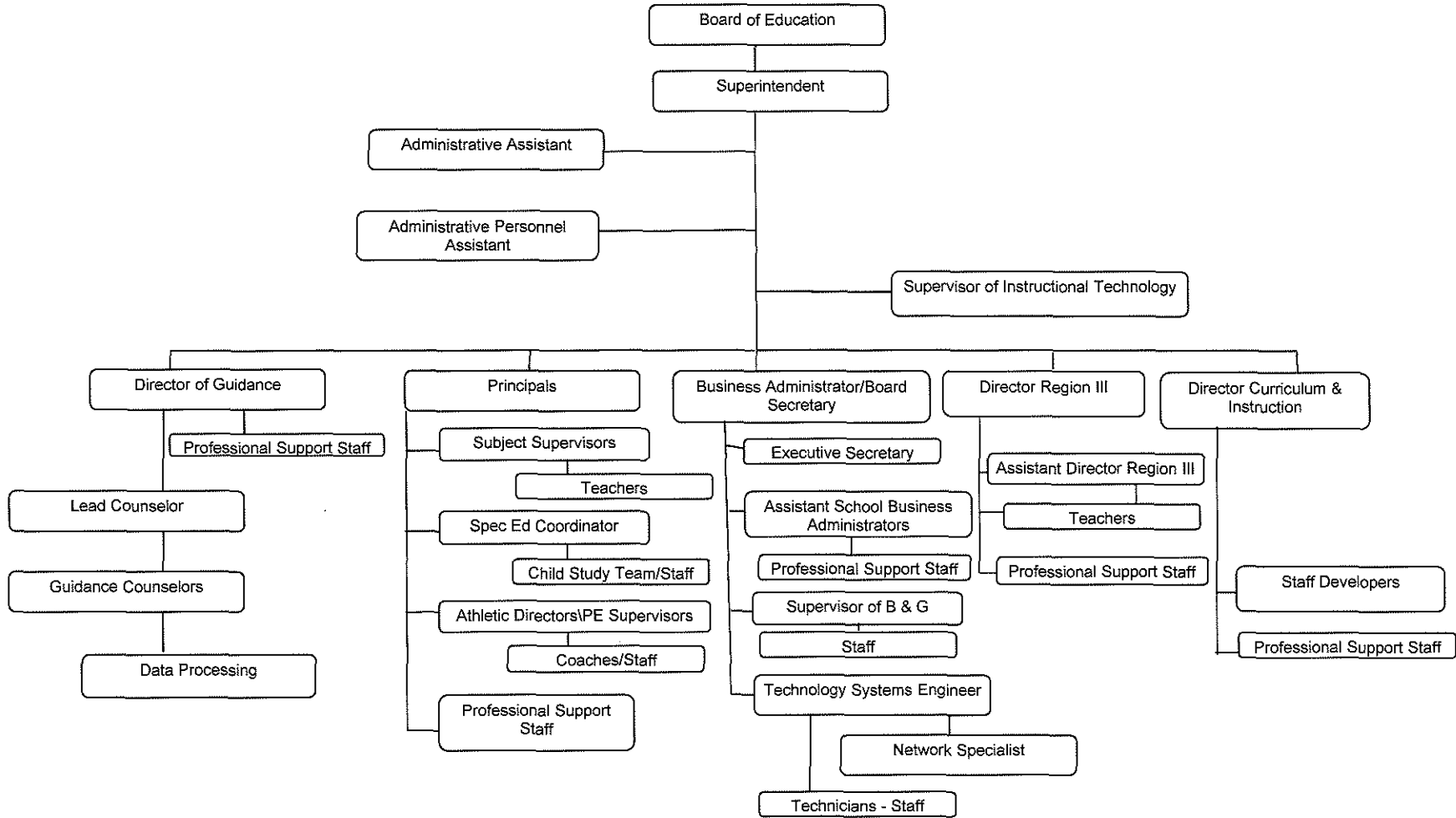
TIP

SLICE

Summit Academy

NORTHERN VALLEY REGIONAL HIGH SCHOOL ORGANIZATIONAL CHART

T.T.A.



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

Members of the Board of Education	Term Expires
Mr. Joseph Argenziano, President	2017
Mrs. Melissa Driscoll, Vice President	2018
Mr. Dan Eller	2018
Mr. Raffi Jamgotchian	2019
Mrs. Tiffany Kaplan	2017
Dr. George Kipel	2019
Mr. Peter Micera	2018
Mr. John Schettino	2017
Mr. Ghanshyam C. Vaghasia	2018
Mr. James Santana	Superintendent
Mrs. Joannette Femia	Business Administrator/Board Secretary
Ms. Colleen Briggs	Assistant Business Administrator
Mr. Daniel Hauser	Assistant Business Administrator
Mr. Timothy Gouraige	Principal, NVRHS at Demarest
Dr. Bruce Sabatini	Principal, NVRHS at Old Tappan

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

Consultants and Advisors

Architect

RSC Architects
3 University Plaza
Suite 600
Hackensack, NJ 07 601

Attorney

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

Auditor

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

Official Depositories

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

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District as of June 30, 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, budgetary comparison information and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

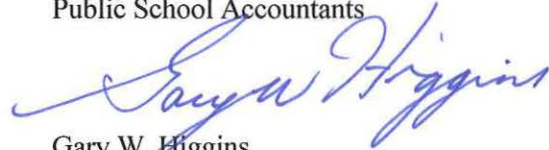
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2017 on our consideration of the Northern Valley Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northern Valley Regional High School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Northern Valley Regional High School District's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 30, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The discussion and analysis of the Northern Valley Regional High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- General revenues accounted for \$53,492,020 in revenue or 52 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$49,961,862 or 48 percent of total revenues of \$103,453,882.
- Total net position of governmental activities amounted to \$(14,824,769) as of June 30, 2017.
- The District had \$73,763,603 in expenses related to governmental activities; only \$21,121,742 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$53,478,192 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$60,788,915 in revenues and other financing sources and \$60,743,692 in expenditures and other financing uses. The General Fund's fund balance increased in the fiscal year ended June 30, 2017 by \$45,223 from the fiscal year ended June 30, 2016 balance of \$4,298,322 to \$4,343,545.

Using the Comprehensive Annual Financial report (CAFR)

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

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2017?" The *Statement of Net position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

Table 1 provides a summary of the District's net position as of June 30, 2017 and 2016.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets						
Current Assets	\$ 6,776,413	\$ 4,331,578	\$ 5,995,093	\$ 5,974,213	\$ 12,771,506	\$ 10,305,791
Capital Assets	18,693,873	8,819,161	92,526	95,402	18,786,399	8,914,563
Total Assets	<u>25,470,286</u>	<u>13,150,739</u>	<u>6,087,619</u>	<u>6,069,615</u>	<u>31,557,905</u>	<u>19,220,354</u>
Deferred Outflows of Resources	<u>6,764,621</u>	<u>3,299,770</u>	<u>4,895,808</u>	<u>2,199,844</u>	<u>11,660,429</u>	<u>5,499,614</u>
Total Assets and Deferred Outflows of Resources	<u>32,234,907</u>	<u>16,450,509</u>	<u>10,983,427</u>	<u>8,269,459</u>	<u>43,218,334</u>	<u>24,719,968</u>
Liabilities						
Long-Term Liabilities	45,751,621	30,557,187	16,557,993	11,966,099	62,309,614	42,523,286
Other Liabilities	921,169	726,521	290,548	167,204	1,211,717	893,725
Total Liabilities	<u>46,672,790</u>	<u>31,283,708</u>	<u>16,848,541</u>	<u>12,133,303</u>	<u>63,521,331</u>	<u>43,417,011</u>
Deferred Inflows of Resources	<u>386,886</u>	<u>800,449</u>	<u>281,372</u>	<u>533,633</u>	<u>668,258</u>	<u>1,334,082</u>
Total Liabilities and Deferred Inflows of Resources	<u>47,059,676</u>	<u>32,084,157</u>	<u>17,129,913</u>	<u>12,666,936</u>	<u>64,189,589</u>	<u>44,751,093</u>
Net Position						
Net Investment in Capital Assets	(1,537,942)	(2,655,839)	92,526	95,402	(1,445,416)	(2,560,437)
Restricted	2,194,207	2,299,137			2,194,207	2,299,137
Unrestricted	(15,481,034)	(15,276,946)	(6,239,012)	(4,492,879)	(21,720,046)	(19,769,825)
Total Net Position	<u>\$ (14,824,769)</u>	<u>\$ (15,633,648)</u>	<u>\$ (6,146,486)</u>	<u>\$ (4,397,477)</u>	<u>\$ (20,971,255)</u>	<u>\$ (20,031,125)</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The District's combined net position were \$(20,971,255) and \$(20,031,125) on June 30, 2017 and 2016, respectively. This was a decrease of \$940,130 or 5 percent from the fiscal year ended June 30, 2016.

Table 2 shows changes in net position for the fiscal years ended June 30, 2017 and 2016.

Change in Net Position
For The Years Ended June 30, 2017 and 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 536,534	\$ 436,515	\$ 23,972,961	\$ 22,334,386	\$ 24,509,495	\$ 22,770,901
Operating Grants and Contributions	20,543,568	14,760,738	4,867,159	3,210,006	25,410,727	17,970,744
Capital Grants and Contributions	41,640	109,599			41,640	109,599
General Revenues						
Property Taxes	52,827,642	51,926,950			52,827,642	51,926,950
State and Federal Aid	115,676	137,210			115,676	137,210
Other	534,874	688,436	13,828	13,736	548,702	702,172
Total Revenues	<u>74,599,934</u>	<u>68,059,448</u>	<u>28,853,948</u>	<u>25,558,128</u>	<u>103,453,882</u>	<u>93,617,576</u>
Expenses						
Instruction						
Regular	36,453,238	32,470,087			36,453,238	32,470,087
Special Education	8,573,915	7,590,218			8,573,915	7,590,218
Other Instruction	274,467	215,251			274,467	215,251
School Sponsored Activities, Athletics and Programs	3,588,010	3,194,204			3,588,010	3,194,204
Support Services						
Student and Instruction Related Services	9,243,193	8,754,056			9,243,193	8,754,056
General and Business Administration Services	2,234,581	2,267,347			2,234,581	2,267,347
School Administration Services	4,898,033	4,417,188			4,898,033	4,417,188
Plant Operations and Maintenance	6,124,479	5,591,664			6,124,479	5,591,664
Pupil Transportation	1,720,084	1,619,265			1,720,084	1,619,265
Interest on Long-Term Debt	653,603	537,815			653,603	537,815
Business-type Activities	-	-	30,630,409	26,108,635	30,630,409	26,108,635
Total Expenses	<u>73,763,603</u>	<u>66,657,095</u>	<u>30,630,409</u>	<u>26,108,635</u>	<u>104,394,012</u>	<u>92,765,730</u>
Change in Net Position	836,331	1,402,353	(1,776,461)	(550,507)	(940,130)	851,846
Transfers	(27,452)	(49,148)	27,452	49,148	-	-
Net Position, Beginning of Year	<u>(15,633,648)</u>	<u>(16,986,853)</u>	<u>(4,397,477)</u>	<u>(3,896,118)</u>	<u>(20,031,125)</u>	<u>(20,882,971)</u>
Net Position, End of Year	<u>\$ (14,824,769)</u>	<u>\$ (15,633,648)</u>	<u>\$ (6,146,486)</u>	<u>\$ (4,397,477)</u>	<u>\$ (20,971,255)</u>	<u>\$ (20,031,125)</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Governmental Activities

The District's total governmental activities revenues were \$74,599,934 and \$68,059,448 for the years ended June 30, 2017 and 2016, respectively. Property taxes made up 71 and 76 percent of revenues for governmental activities for the Northern Valley Regional High School District for fiscal years 2017 and 2016, respectively. Federal, state and local grants accounted for 28 and 22 percent of revenue for the fiscal years ended June 30, 2017 and 2016, respectively.

The total cost of all programs and services was \$73,763,603 and \$66,657,095 for the fiscal years ended June 30, 2017 and 2016, respectively. Instruction comprises 66 and 65 percent of governmental program expenses for the years ended June 30, 2017 and 2016, respectively. Support services expenses make up 33 and 34 percent of governmental expenses for the years ended June 30, 2017 and 2016, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 36,453,238	\$ 32,470,087	\$ 23,908,714	\$ 23,274,629
Special Education	8,573,915	7,590,218	4,727,082	5,069,514
Other Instruction	274,467	215,251	3,565	5,864
School Sponsored Activities, Athletics and Programs	3,588,010	3,194,204	2,344,058	2,328,228
Support Services				
Student and Instruction Related Services	9,243,193	8,754,056	7,404,561	7,369,811
General and Business Administration Services	2,234,581	2,267,347	2,234,581	2,267,347
School Administration Services	4,898,033	4,417,188	3,674,183	3,525,661
Plant Operations and Maintenance	6,124,479	5,591,664	6,081,615	5,445,411
Pupil Transportation	1,720,084	1,619,265	1,609,899	1,525,963
Interest on Long-Term Debt	<u>653,603</u>	<u>537,815</u>	<u>653,603</u>	<u>537,815</u>
Total	<u>\$ 73,763,603</u>	<u>\$ 66,657,095</u>	<u>\$ 52,641,861</u>	<u>\$ 51,350,243</u>

Business-Type Activities

The District's total business-type activities revenues and operating transfers of \$28,881,400 and \$25,607,276 and expenses of \$30,630,409 and \$26,108,635 in fiscal years ended June 30, 2017 and 2016, respectively. Of the revenues, \$23,972,961 and \$22,334,386 was charges for services; \$4,867,159 and \$3,210,006 was from State reimbursements for the years ended June 30, 2017 and 2016, respectively.

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$63,711,840 and \$61,285,224 and expenditures were \$73,508,000 and \$61,225,120 for the fiscal years ended June 30, 2017 and 2016, respectively. The net change in the governmental funds - fund balances for the year was an increase of \$2,410,650.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2017 and 2016.

<u>Revenue</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2017</u>	<u>2016</u>		
Local Sources	\$ 53,988,459	\$ 53,096,883	\$ 891,576	1.68%
State Sources	8,830,390	7,367,594	1,462,796	19.85%
Federal Sources	892,991	820,747	72,244	8.80%
Total Governmental Fund Revenues	<u>\$ 63,711,840</u>	<u>\$ 61,285,224</u>	<u>\$ 2,426,616</u>	3.96%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2017 and 2016.

	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2017</u>	<u>2016</u>		
Current Expense				
Instruction	\$ 39,677,898	\$ 37,492,247	\$ 2,185,651	5.83%
Support Services	20,881,769	20,290,200	591,569	2.92%
Capital Outlay	10,544,861	1,258,138	9,286,723	738.13%
Debt Service				
Principal	1,795,560	1,615,000	180,560	11.18%
Interest and Other Charges	607,912	569,535	38,377	6.74%
Total Expenditures	<u>\$ 73,508,000</u>	<u>\$ 61,225,120</u>	<u>\$ 12,282,880</u>	20.06%

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2017 and 2016, the District had \$18,693,873 and \$92,526 and \$8,819,161 and \$95,402 invested in land, buildings, furniture and equipment and vehicles and construction in progress for governmental and business-type activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities increased \$9,874,712 and business-type activities decreased \$2,876 from the fiscal year ended June 30, 2016 to fiscal year ended June 30, 2017. Tables A-4 and A-5 show capital assets and the related depreciation for governmental activities and business-type activities at June 30, 2017 and 2016, respectively.

**Table A-4
Capital Assets
Governmental Activities
as of June 30, 2017 and 2016**

	<u>2017</u>	<u>Total</u> <u>2016</u>
Land	\$ 2,299,500	\$ 2,299,500
Land Improvements	6,642,448	6,455,900
Construction in Progress	8,812,522	1,197,508
Buildings and Building Improvements	19,091,690	16,643,984
Machinery and Equipment	<u>2,525,745</u>	<u>2,230,152</u>
	39,371,905	28,827,044
Less Accumulated Depreciation	<u>20,678,032</u>	<u>20,007,883</u>
Capital Assets, Net	<u>\$ 18,693,873</u>	<u>\$ 8,819,161</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Table A-5
Capital Assets
Business-type Activities
as of June 30, 2017 and 2016

	<u>2017</u>	<u>Total</u>	<u>2016</u>
Machinery and Equipment	\$ 435,897	\$	419,847
Less Accumulated Depreciation	<u>343,371</u>	<u> </u>	<u>324,445</u>
Capital Assets, Net	<u>\$ 92,526</u>	<u> </u>	<u>\$ 95,402</u>

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

Long-Term Liabilities

At June 30, 2017 and 2016, the District had \$62,309,614 and \$42,523,286 of long-term liabilities. Of this amount, \$1,524,096 and \$1,718,715 is for compensated absences; and \$21,629,649 and \$11,475,000 of bonds payable, including unamortized premium, and \$38,838,939 and \$29,329,571 for net pension liability and \$316,930 and \$0 for capital leases payable, respectively.

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

For the Future

Northern Valley Regional High School District demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2016-2017 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of no increases in state aid and 2% caps on tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,080,161	\$ 4,770,873	\$ 10,851,034
Receivables, net			
Receivables from Other Governments	604,594	22,612	627,206
Other	-	1,213,718	1,213,718
Internal Balance	22,613	(22,613)	-
Due from Other Funds	69,045		69,045
Inventory		10,503	10,503
Capital Assets			
Not Being Depreciated	11,112,022		11,112,022
Being Depreciated, net	7,581,851	92,526	7,674,377
Total Assets	25,470,286	6,087,619	31,557,905
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding of Debt	32,877	-	32,877
Deferred Amounts on Net Pension Liability	6,731,744	4,895,808	11,627,552
Total Deferred Outflow of Resources	6,764,621	4,895,808	11,660,429
Total Assets and Deferred Outflow of Resources	32,234,907	10,983,427	43,218,334
LIABILITIES			
Accounts Payable and Other Liabilities	95,542	287,848	383,390
Intergovernmental Payable	16,044		16,044
Accrued Interest Payable	368,576		368,576
Unearned Revenue	441,007	2,700	443,707
Noncurrent Liabilities			
Due Within One Year	1,810,396		1,810,396
Due Beyond One Year	43,941,225	16,557,993	60,499,218
Total Liabilities	46,672,790	16,848,541	63,521,331
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	386,886	281,372	668,258
Total Liabilities and Deferred Inflows of Resources	47,059,676	17,129,913	64,189,589
NET POSITION			
Net Investment in Capital Assets	(1,537,942)	92,526	(1,445,416)
Restricted for:			
Capital Projects	2,168,105		2,168,105
Other Purposes	26,102		26,102
Unrestricted	(15,481,034)	(6,239,012)	(21,720,046)
Total Net Position	\$ (14,824,769)	\$ (6,146,486)	\$ (20,971,255)

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction							
Regular	\$ 36,453,238	\$ 479,534	\$ 12,064,990		\$ (23,908,714)		\$ (23,908,714)
Special Education	8,573,915	57,000	3,789,833		(4,727,082)		(4,727,082)
Other Instruction	274,467		270,902		(3,565)		(3,565)
School Sponsored Activities and Athletics	3,588,010		1,202,312	\$ 41,640	(2,344,058)		(2,344,058)
Support Services							
Student and Instruction Related Services	9,243,193		1,838,632		(7,404,561)		(7,404,561)
School Administration Services	4,898,033		1,223,850		(3,674,183)		(3,674,183)
General Administration Services	1,288,164				(1,288,164)		(1,288,164)
Plant Operations and Maintenance	6,124,479		42,864		(6,081,615)		(6,081,615)
Pupil Transportation	1,720,084		110,185		(1,609,899)		(1,609,899)
Business and Other Support Services	946,417				(946,417)		(946,417)
Interest on Long-Term Debt and Other Charges	653,603	-	-	-	(653,603)	-	(653,603)
Total Governmental Activities	<u>73,763,603</u>	<u>536,534</u>	<u>20,543,568</u>	<u>41,640</u>	<u>(52,641,861)</u>	<u>-</u>	<u>(52,641,861)</u>
Business-Type Activities:							
Technical Services	960,341	934,104				\$ (26,237)	(26,237)
Regional Cooperative Program	1,579,032	1,357,097	428,272			206,337	206,337
Regional Transportation	2,001,992	1,960,733				(41,259)	(41,259)
Regional Special Education	24,203,108	18,015,364	4,270,872			(1,916,872)	(1,916,872)
Other Nonmajor Programs	1,885,936	1,705,663	168,015	-	-	(12,258)	(12,258)
Total Business-Type Activities	<u>30,630,409</u>	<u>23,972,961</u>	<u>4,867,159</u>	<u>-</u>	<u>-</u>	<u>(1,790,289)</u>	<u>(1,790,289)</u>
Total Primary Government	<u>\$ 104,394,012</u>	<u>\$ 24,509,495</u>	<u>\$ 25,410,727</u>	<u>\$ 41,640</u>	<u>(52,641,861)</u>	<u>(1,790,289)</u>	<u>(54,432,150)</u>

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Continued

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Total Primary Government (Carried Forward)	\$ (52,641,861)	\$ (1,790,289)	\$ (54,432,150)
General Revenues and Transfers			
Taxes:			
Property Taxes, Levied for General Purposes	50,727,156		50,727,156
Taxes Levied for Debt Service	2,100,486		2,100,486
State Aid Restricted for Debt Service	92,135		92,135
Unrestricted State Aid	23,541		23,541
Miscellaneous Income	534,874	13,828	548,702
Transfers	(27,452)	27,452	-
Total General Revenues and Transfers	53,450,740	41,280	53,492,020
Change in Net Position	808,879	(1,749,009)	(940,130)
Net Position Beginning of Year	(15,633,648)	(4,397,477)	(20,031,125)
Net Position End of Year	\$ (14,824,769)	\$ (6,146,486)	\$ (20,971,255)

FUND FINANCIAL STATEMENTS

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 2,935,228		\$ 3,119,351	\$ 25,582	\$ 6,080,161
Receivables, Net					
Receivables From Other Governments	109,335	\$ 118,956	376,303		604,594
Due from Other Funds	<u>1,306,347</u>	<u>-</u>	<u>-</u>	<u>520</u>	<u>1,306,867</u>
Total Assets	<u>\$ 4,350,910</u>	<u>\$ 118,956</u>	<u>\$ 3,495,654</u>	<u>\$ 26,102</u>	<u>\$ 7,991,622</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 432		\$ 95,110		\$ 95,542
Due to Other Funds	520	\$ 43,621	1,171,068		1,215,209
Payable to State Governments		16,044			16,044
Unearned Revenue	<u>6,413</u>	<u>59,291</u>	<u>375,303</u>	<u>-</u>	<u>441,007</u>
Total Liabilities	<u>7,365</u>	<u>118,956</u>	<u>1,641,481</u>	<u>-</u>	<u>1,767,802</u>
Fund Balances					
Restricted					
Excess Surplus	826,715				826,715
Capital Reserve	1,235,819				1,235,819
Capital Reserve - Designated for Subsequent Year's Budget	760,000				760,000
Capital Projects			1,854,173		1,854,173
Debt Service				\$ 26,102	26,102
Committed					
Year-end Encumbrances	54,537				54,537
Assigned					
Year-end Encumbrances	266,784				266,784
Designated for Subsequent Year's Budget	835,000				835,000
Unassigned	<u>364,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,690</u>
Total Fund Balances	<u>4,343,545</u>	<u>-</u>	<u>1,854,173</u>	<u>26,102</u>	<u>6,223,820</u>
Total Liabilities and Fund Balances	<u>\$ 4,350,910</u>	<u>\$ 118,956</u>	<u>\$ 3,495,654</u>	<u>\$ 26,102</u>	<u>\$ 7,991,622</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

Total Fund Balance - Governmental Funds (Exhibit B-1) \$ 6,223,820

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 \$39,371,905 and the accumulated depreciation is \$20,678,032.

18,693,873

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:

(368,576)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds Payable, Including Unamortized Premium	\$ (21,629,649)
Compensated Absences	(1,319,329)
Capital Leases Payable	(316,930)
Net Pension Liability	<u>(22,485,713)</u>

(45,751,621)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

32,877

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

Deferred Outflows of Resources	6,731,744
Deferred Inflows of Resources	<u>(386,886)</u>

6,344,858

Net Position of Governmental Activities (Exhibit A-1) \$ (14,824,769)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 50,727,156			\$ 2,100,486	\$ 52,827,642
Miscellaneous	1,043,056	\$ 89,409	\$ 21,756	6,596	1,160,817
Total - Local Sources	51,770,212	89,409	21,756	2,107,082	53,988,459
State Sources	8,584,457	153,798		92,135	8,830,390
Federal Sources	-	892,991	-	-	892,991
Total Revenues	60,354,669	1,136,198	21,756	2,199,217	63,711,840
EXPENDITURES					
Current					
Regular Instruction	28,757,362	35,035	231,970		29,024,367
Special Education Instruction	7,045,069	483,171			7,528,240
Other Instruction	3,241	270,902			274,143
School Sponsored Activities and Athletics	2,851,148				2,851,148
Support Services					
Student and Instruction Related Services	7,624,096	305,450			7,929,546
General Administration Services	1,122,811				1,122,811
School Administration Services	4,002,277				4,002,277
Plant Operations and Maintenance	5,251,786				5,251,786
Pupil Transportation	1,697,256				1,697,256
Business and Other Support Services	878,093				878,093
Debt Service					
Principal	95,560			1,700,000	1,795,560
Interest				493,140	493,140
Cost of Issuance				114,772	114,772
Capital Outlay	928,457	41,640	9,574,764	-	10,544,861
Total Expenditures	60,257,156	1,136,198	9,806,734	2,307,912	73,508,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	97,513	-	(9,784,978)	(108,695)	(9,796,160)
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued				7,400,000	7,400,000
Premium on Refunding				462,649	462,649
Payments to Escrow Agent - Bonds Refunded				(7,715,000)	(7,715,000)
Payments to Escrow Agent - Loss on Refunding				(32,877)	(32,877)
Bond Proceeds			11,707,000		11,707,000
Lease Purchase Proceeds	412,490				412,490
Transfers In	21,756		459,084	19,505	500,345
Transfers Out	(486,536)	-	(41,261)	-	(527,797)
Total Other Financing Sources (Uses)	(52,290)	-	12,124,823	134,277	12,206,810
Net Change in Fund Balances	45,223	-	2,339,845	25,582	2,410,650
Fund Balance, Beginning of Year	4,298,322	-	(485,672)	520	3,813,170
Fund Balance (Deficit), End of Year	\$ 4,343,545	\$ -	\$ 1,854,173	\$ 26,102	\$ 6,223,820

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

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

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 2,410,650

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	\$ (670,149)	
Capital Outlay	<u>10,544,861</u>	9,874,712

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued or incurred:		
Capital lease financing	(412,490)	
Issuance of general obligation bonds	(11,707,000)	
Refunding Bond Proceeds	(7,400,000)	
Add: Issuance premium	(462,649)	
Principal Payments:		
General Obligation Bonds	1,700,000	
Down payment on capital lease	95,560	
Payment to escrow agent for refunding	<u>7,747,877</u>	(10,438,702)

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

Net Change in Compensated Absences	165,109	
Net Change in Pension Expense	<u>(1,042,427)</u>	(877,318)

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

Increase in Accrued Interest	<u>(160,463)</u>	
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Change in Net Position of Governmental Activities (Exhibit A-2) \$ 808,879

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

	Business-Type Activities											
	Enterprise Fund					Other Nonmajor Enterprise Funds	Total Enterprise Funds					
	Technical Services	Major Programs										
	Regional Coop Prgm	Regional Transportation	Regional Special Ed									
ASSETS												
Current Assets												
Cash and Cash Equivalents	\$	792,973		\$	3,548,501	\$	485,917	\$	4,827,391			
Intergovernmental Receivable		2,195			19,822		595		22,612			
Other Accounts Receivable	\$	25,701	720	\$	314,311		871,861		1,213,718			
Due from Other Funds			132,998		231,435		101,951		466,384			
Inventories		-	-		-		10,503		10,503			
Total Current Assets		25,701	928,886	314,311	4,671,619		600,091		6,540,608			
Capital Assets												
Furniture, machinery & equipment					209,037		226,860		435,897			
Less: Accumulated Depreciation		-	-		(149,426)		(193,945)		(343,371)			
Total Capital Assets		-	-		59,611		32,915		92,526			
DEFERRED OUTFLOW OF RESOURCES												
Deferred Amounts on Net Pension Liability		-	197,898		4,697,910		-		4,895,808			
Total Deferred Outflow of Resources		-	197,898		4,697,910		-		4,895,808			
Total Assets and Deferred Outflow of Resources		25,701	1,126,784	314,311	9,429,140		633,006		11,528,942			
LIABILITIES												
Current Liabilities												
Cash Overdraft		56,518							56,518			
Accounts Payable					248,871				248,871			
Due to Other Funds		72,870	2,195	132,998	19,823		261,111		488,997			
Other Payable							38,977		38,977			
Unearned Revenue		-	-		-		2,700		2,700			
Total Current Liabilities		129,388	2,195	132,998	268,694		302,788		836,063			
Noncurrent Liabilities												
Compensated Absences		16,013	5,257		172,477		11,020		204,767			
Net Pension Liability		-	661,029		15,692,197		-		16,353,226			
Total Noncurrent Liabilities		16,013	666,286		15,864,674		11,020		16,557,993			
DEFERRED INFLOW OF RESOURCES												
Deferred Amounts on Net Pension Liability		-	11,374		269,998		-		281,372			
Total Deferred Inflow of Resources		-	11,374		269,998		-		281,372			
Total Liabilities and Deferred Inflow of Resources		145,401	679,855	132,998	16,403,366		313,808		17,675,428			
NET POSITION												
Net Investment in Capital Assets		-	-		59,611		32,915		92,526			
Unrestricted		(119,700)	446,929	181,313	(7,053,837)		286,283		(6,239,012)			
Total Net Position	\$	(119,700)	\$	446,929	\$	181,313	\$	(6,974,226)	\$	319,198	\$	(6,146,486)

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

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

	Business-Type Activities							
	Enterprise Fund				Other Nonmajor Enterprise Funds			Total Enterprise Funds
	Technical Services	Regional Coop Prgm	Regional Transportation	Regional Special Ed				
OPERATING REVENUES								
Charges for Services								
Daily sales - non-reimbursable					\$ 937,933	\$ 937,933		
Special Functions					45,593	45,593		
Charges and Fees	\$ 934,104	\$ 1,357,097	\$ 1,960,733	\$ 18,015,364	722,137	22,989,435		
Total Operating Revenues	934,104	1,357,097	1,960,733	18,015,364	1,705,663	23,972,961		
OPERATING EXPENSES								
Cost of Sales - non-reimbursable					452,280	452,280		
Salaries/Salaries of Teachers	713,644	831,386		11,391,027	946,893	13,882,950		
Unallocated Benefits	51,001	466,566		10,687,654	259,090	11,464,311		
Purchased Professional and Technical Services		195,964		527,849	-	723,813		
Purchased Property Services				973,166	43,535	1,016,701		
Other Purchased Services		13,915	2,001,992	41,286	138,683	2,195,876		
Supplies and Materials	195,696	29,383		194,344	41,461	460,884		
Depreciation				15,031	3,895	18,926		
Other Objects	-	41,818	-	372,751	99	414,668		
Total Operating Expenses	960,341	1,579,032	2,001,992	24,203,108	1,885,936	30,630,409		
Operating Income (Loss)	(26,237)	(221,935)	(41,259)	(6,187,744)	(180,273)	(6,657,448)		
NONOPERATING REVENUES								
On-Behalf (Non-Budgeted)								
TPAF Pension System								
Post Retirement Medical		53,554		534,133	21,028	608,715		
Normal Cost		62,025		618,627	24,356	705,008		
NCGI		2,247		22,414	882	25,543		
Long-Term Disability		82		818	32	932		
Reimbursed TPAF S.S.		44,733		445,523	17,411	507,667		
GASB 68 - TPAF On Behalf Adjustment		265,631		2,649,537	704,306	3,019,294		
Interest	250	-	-	12,375	1,203	13,828		
Total Non-Operating Revenues	250	428,272	-	4,283,247	169,218	4,880,987		
Net Income (Loss) Before Contributions & Transfers	(25,987)	206,337	(41,259)	(1,904,497)	(11,055)	(1,776,461)		
Transfers								
Transfers In(Out)	-	-	-	-	27,452	27,452		
Change in Net Position	(25,987)	206,337	(41,259)	(1,904,497)	16,397	(1,749,009)		
Total Net Position - Beginning of Year	(93,713)	240,592	222,572	(5,069,729)	302,801	(4,397,477)		
Total Net Position - Ending of Year	\$ (119,700)	\$ 446,929	\$ 181,313	\$ (6,974,226)	\$ 319,198	\$ (6,146,486)		

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

	Business-Type Activities					
	Enterprise Fund				Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Major Programs					
Technical Services	Regional Coop Prgm	Regional Transportation	Regional Special Ed			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 942,476	\$ 1,362,482	\$ 2,202,728	\$ 18,412,588	\$ 1,721,129	\$ 24,641,403
Payments to Employees and Benefits	(764,780)	(1,164,155)		(17,648,203)	(1,107,160)	(20,684,298)
Payments to Suppliers for Goods and Services	(234,464)	(281,080)	(2,001,992)	(1,930,275)	(708,169)	(5,155,980)
Net Cash Provided (Used by) operating activities	(56,768)	(82,753)	200,736	(1,165,890)	(94,200)	(1,198,875)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash received from State Subsidy Reimbursement		162,641		1,621,602	63,461	1,847,704
Interfund Transfers	-	200,736	(200,736)	(231,521)	258,915	27,394
Net cash provided by (used for) Noncapital financing activities	-	363,377	(200,736)	1,390,081	322,376	1,875,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	-	(4,844)	(11,206)	(16,050)
Net cash provided by (used for) capital and related financing activities	-	-	-	(4,844)	(11,206)	(16,050)
CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES						
Interest on Investments	250	-	-	12,375	1,203	13,828
Net cash provided by (used for) capital and related financing activities	250	-	-	12,375	1,203	13,828
Net increase (decrease) in cash and cash equivalents	(56,518)	280,624	-	231,722	218,173	674,001
Cash and Cash Equivalents (Overdraft) - Beginning of Year	-	512,349	-	3,316,779	267,744	4,096,872
Cash and Cash Equivalents (Overdraft) - End of Year	\$ (56,518)	\$ 792,973	\$ -	\$ 3,548,501	\$ 485,917	\$ 4,770,873
Reconciliation of Operating Income (Loss) to net cash provided (used) by operating activities						
Operating Income(Loss)	\$ (26,237)	\$ (221,935)	\$ (41,259)	\$ (6,187,744)	\$ (180,273)	\$ (6,657,448)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities						
GASB 68 - TPAF On Behalf Adjustment		265,631		2,649,357	104,306	3,019,294
Depreciation				15,031	3,895	18,926
(Increase) Decrease in other accounts receivable, net	8,372	5,385	241,995	397,224	4,780	657,756
(Increase) Decrease in inventories					(4,416)	(4,416)
(Increase) Decrease in Deferred Outflows of Resources		(75,802)		(2,620,162)		(2,695,964)
Increase(decrease) in unearned revenues					(23,016)	(23,016)
Increase(decrease) in other payable					33,702	33,702
Increase(decrease) in accounts payable	(38,768)			179,121	(27,695)	112,658
Increase(decrease) in Deferred Inflows of Resources		(18,244)		(234,017)		(252,261)
Increase(decrease) in noncurrent liabilities	(135)	(37,788)	-	4,635,300	(5,483)	4,591,894
Total adjustments	(30,551)	139,182	241,995	5,021,854	86,073	5,458,573
Net cash provided by (used for) operating activities	\$ (56,768)	\$ (82,753)	\$ 200,736	\$ (1,165,890)	\$ (94,200)	\$ (1,198,875)

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2017**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 21,070	\$ 77,986	\$ 763,800
Total Assets	<u>21,070</u>	<u>77,986</u>	<u>\$ 763,800</u>
LIABILITIES			
Accrued Salaries and Wages			\$ 7,092
Payroll Deductions and Withholdings			4,329
Reserve for Flexible Spending			28,581
Intergovernmental Payable		2,824	
Due to Other Funds			69,045
Due to Student Groups	<u>-</u>	<u>-</u>	<u>654,753</u>
Total Liabilities	<u>-</u>	<u>2,824</u>	<u>\$ 763,800</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 21,070</u>	<u>\$ 75,162</u>	

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

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

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	
ADDITIONS			
Contributions			
Employee		\$ 109,168	
Investment Earnings			
Interest	\$ 56	224	
	<hr/>	<hr/>	
Total Additions	56	109,392	
	<hr/>	<hr/>	
DEDUCTIONS			
Unemployment Claims		83,609	
Scholarship Awards	1,600	-	
	<hr/>	<hr/>	
Total Deductions	1,600	83,609	
	<hr/>	<hr/>	
Change in Net Position	(1,544)	25,783	
Net Position Beginning of Year	22,614	49,379	
	<hr/>	<hr/>	
Net Position, End of Year	\$ 21,070	\$ 75,162	
	<hr/>	<hr/>	

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2017, the District adopted the following GASB statements as required:

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

C. Basis of Presentation - Financial Statements

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

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

4. Capital Assets

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. *Deferred Outflows/Inflows of Resources*

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

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

6. *Compensated Absences*

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

7. *Pensions*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported including the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

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

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

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2017/2018 District budget certified for taxes.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2015-2016 and 2016-2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$687,429. The increase was funded by additional withdrawal from capital reserve, additional grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriation resulted in an unfavorable variance.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
School Sponsored Athletics- Salaries	\$1,360,264	\$1,364,610	\$(4,346)

The above variance was offset with other available resources.

C. Deficit Fund Equity

The Technical Services and Teens and Tots Enterprise Funds have cumulative deficits in net position of \$119,700 and \$59,389, respectively, as of June 30, 2017. The District expects to eliminate this deficit through normal operations in the 2017/2018 fiscal year.

The Regional Special Education Enterprise Fund has a cumulative deficit in net position of \$6,974,226 as of June 30, 2017. The deficit is due to the District's accrual of the long-term liability associated with the fund's proportionate share of the District's total PERS net pension liability as required under GASB Statement No. 68. The deficit alone does not indicate that the regional special education operations are facing financial difficulties. The net position excluding the pension related items is \$4,290,059.

D. Capital Reserve

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016		\$ 2,784,289
Increased by		
Interest Earnings	\$ 2,995	
Interest Earnings - Capital Projects	<u>21,756</u>	
Total Increases		<u>24,751</u>
		2,809,040
Withdrawals		
Approved in District Budget	790,000	
Approved by Board Resolution	<u>23,221</u>	
Total Withdrawals		<u>813,221</u>
Balance, June 30, 2017		<u>\$ 1,995,819</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan. The District appropriated \$760,000 of the capital reserve account in the 2017/18 budget.

E. Transfers to Capital Outlay

During the 2016/2017 school year, the district transferred \$354,137 to the non-equipment capital outlay accounts. The transfer was made from the Capital Reserve Transfer to Capital Projects budget line in the amount of \$354,137.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures 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 excess fund balance at June 30, 2017 is \$826,715. Of this amount, \$0 was designated and appropriated in the 2017/2018 original budget certified for taxes and the remaining amount of \$826,715 will be appropriated in the 2018/2019 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$11,713,890 and bank and brokerage firm balances of the Board's deposits amounted to \$15,989,624. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>15,989,624</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2017 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2017, the Board had no outstanding investments.

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

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2017 for the district's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Technical Services</u>	<u>Regional Coop Prgm</u>	<u>Regional Transportation</u>	<u>Regional Special Ed</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:									
Intergovernmental-									
Federal		\$ 118,956							\$ 118,956
State	\$ 109,335		\$ 376,303		\$ 2,195		\$ 19,822	\$ 595	508,250
Other	-	-	-	\$ 25,701	720	\$ 314,311	871,861	1,125	1,213,718
Gross Receivables	109,335	118,956	376,303	25,701	2,915	314,311	891,683	1,720	1,840,924
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-	-	-
Net Total Receivables	<u>\$ 109,335</u>	<u>\$ 118,956</u>	<u>\$ 376,303</u>	<u>\$ 25,701</u>	<u>\$ 2,915</u>	<u>\$ 314,311</u>	<u>\$ 891,683</u>	<u>\$ 1,720</u>	<u>\$ 1,840,924</u>

C. Unearned Revenue

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

General Fund	
Unrealized Tuition Revenue	\$ 6,413
Special Revenue Fund	
Grant Draw Downs Reserved for Encumbrances	36,222
Unencumbered Grant Draw Downs	23,069
Capital Projects Fund	
Unrealized School Facilities Grants	<u>375,303</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 441,007</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Balance, <u>June 30, 2017</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,299,500				\$ 2,299,500
Construction in Progress	<u>1,197,508</u>	<u>\$ 8,329,453</u>	<u>-</u>	<u>\$ (714,439)</u>	<u>8,812,522</u>
Total Capital Assets, Not Being Depreciated	<u>3,497,008</u>	<u>8,329,453</u>	<u>-</u>	<u>(714,439)</u>	<u>11,112,022</u>
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	16,643,984	1,919,815		527,891	19,091,690
Land Improvements	6,455,900			186,548	6,642,448
Machinery and Equipment	<u>2,230,152</u>	<u>295,593</u>	<u>-</u>	<u>-</u>	<u>2,525,745</u>
Total Capital Assets Being Depreciated	<u>25,330,036</u>	<u>2,215,408</u>	<u>-</u>	<u>714,439</u>	<u>28,259,883</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(13,723,142)	(225,493)			(13,948,635)
Land Improvements	(4,330,329)	(303,269)			(4,633,598)
Machinery and Equipment	<u>(1,954,412)</u>	<u>(141,387)</u>	<u>-</u>	<u>-</u>	<u>(2,095,799)</u>
Total Accumulated Depreciation	<u>(20,007,883)</u>	<u>(670,149)</u>	<u>-</u>	<u>-</u>	<u>(20,678,032)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,322,153</u>	<u>1,545,259</u>	<u>-</u>	<u>714,439</u>	<u>7,581,851</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,819,161</u>	<u>\$ 9,874,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,693,873</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 419,847	\$ 16,050	-	\$ 435,897
Total Capital Assets Being Depreciated	<u>419,847</u>	<u>16,050</u>	<u>-</u>	<u>435,897</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(324,445)</u>	<u>(18,926)</u>	<u>-</u>	<u>(343,371)</u>
Total Accumulated Depreciation	<u>(324,445)</u>	<u>(18,926)</u>	<u>-</u>	<u>(343,371)</u>
Total Capital Assets, Being Depreciated, Net	<u>95,402</u>	<u>(2,876)</u>	<u>-</u>	<u>92,526</u>
Business-Type Activities Capital Assets, Net	<u>\$ 95,402</u>	<u>\$ (2,876)</u>	<u>\$ -</u>	<u>\$ 92,526</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 70,494
Total Instruction	<u>70,494</u>
Support Services	
Support Services-Students	29,010
School Administration	13,014
Operations and Maintenance of Plant	547,979
Student Transportation	6,238
Business and Other Support Services	<u>3,414</u>
Total Support Services	<u>599,655</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 670,149</u>
Business-Type Activities:	
Regional Special Ed	\$ 15,031
Food Service Fund	<u>3,895</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 18,926</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2017:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC at Demarest H.S. and Old Tappan H.S.	\$ 1,534,886	\$ 513,214
Construction of Modular Classroom	347,800	6,337
Athletic Track Resurfacing	853,887	578,764
Scoreboard Project at Old Tappan H.S. Turf Field		61,700
Security Cameras Project at Old Tappan H.S. and Demarest H.S.		56,050
STEM and Science Classrooms	1,639,675	71,231
Weight Room Stair Lift Project at Demarest H.S.	47,500	<u>6,500</u>
Total		<u>\$ 1,293,796</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 1,171,068
General Fund	Special Revenue Fund	43,621
General Fund	Teens and Tots Fund	595
General Fund	Regional Coop. Fund	2,195
General Fund	Regional Special Ed. Fund	19,823
General Fund	Agency Fund	69,045
Debt Service Fund	General Fund	520
Regional Coop. Fund	Regional Transportation Fund	132,998
Regional Special Ed. Fund	Little Tots Fund	231,435
Shared Services Fund	Technical Services Fund	72,870
Swimming Fund	Teens and Tots Fund	<u>29,081</u>
Total		<u>\$ 1,773,251</u>

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund transfers

	Transfer In:				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Food Service</u>	
Transfer Out:					
General Fund		\$ 459,084		\$ 27,452	\$ 486,536
Capital Projects	\$ 21,756	-	\$ 19,505	-	41,261
Total Transfers Out	<u>\$ 21,756</u>	<u>\$ 459,084</u>	<u>\$ 19,505</u>	<u>\$ 27,452</u>	<u>\$ 527,797</u>

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

F. Leases

Operating Leases

The District leases computers, copiers, modular classrooms and buildings rental (Immaculate Conception Church) under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2017 were \$1,354,395. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 1,354,395
2019	851,709
2020	864,842
2021	<u>256,190</u>
Total	<u>\$ 3,327,136</u>

Capital Leases

The District is leasing a modular classroom building totaling \$412,490 under capital leases. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Construction in Progress - Building Improvements	<u>\$ 412,490</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2018	\$ 100,560
2019	100,560
2020	100,560
2021	<u>100,560</u>
Total minimum lease payments	402,240
Less: amount representing interest	<u>(85,310)</u>
Present value of minimum lease payments	<u>\$ 316,930</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2017 are comprised of the following issues:

\$2,186,000, 2007 School Bonds, due in an annual installment of \$260,000 through August 1, 2017, interest at 4.125%	\$260,000
\$2,290,000, 2009 School Bonds, due in annual installments of \$100,000 to \$275,000 through August 1, 2024, interest at 2.50% to 4.00%	1,800,000
\$11,707,000, 2016 School Bonds, due in annual installments of \$500,000 to \$1,000,000 through August 1, 2031, interest at 1.00% to 2.50%	11,707,000
\$7,400,000, 2017 Refunding School Bonds, due in annual installments of \$1,380,000 to \$1,560,000 through February 1, 2022, interest at 3.00% to 4.00%	<u>7,400,000</u>
Total	<u>\$21,167,000</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2018	\$ 1,740,000	\$ 686,084	\$ 2,426,084
2019	2,145,000	517,431	2,662,431
2020	2,230,000	446,225	2,676,225
2021	2,325,000	369,038	2,694,038
2022	2,375,000	288,050	2,663,050
2023-2027	5,795,000	773,738	6,568,738
2028-2032	<u>4,557,000</u>	<u>235,288</u>	<u>4,792,288</u>
	<u>\$ 21,167,000</u>	<u>\$ 3,315,854</u>	<u>\$ 24,482,854</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 283,847,535
Less: Net Debt	<u>21,167,485</u>
Remaining Borrowing Power	<u>\$ 262,680,050</u>

Current Refunding of Debt

On February 2, 2017, the District issued \$7,400,000 in Refunding School Bonds having interest rates of 3.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of the 2006 School Bonds of the District. The total principal currently refunded was \$7,715,000. The reacquisition price exceeded the net carrying amount of the old debt by \$32,877. This amount has been reported as a Deferred Outflow of Resources on the financial statements and will be amortized over the new debt's life, which is shorter than the refunded debt. This current refunding was undertaken to reduce total debt service payments over the next 5 years by \$540,856 and resulted in an economic gain of \$516,644.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2017</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 11,475,000	\$ 19,107,000	\$ 9,415,000	\$ 21,167,000	\$ 1,740,000
Add: Premium	-	462,649	-	462,649	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Bonds Payable	11,475,000	19,569,649	9,415,000	21,629,649	1,740,000
Net Pension Liability	17,597,749	5,562,383	674,419	22,485,713	
Capital Leases Payable		412,490	95,560	316,930	70,396
Compensated Absences	1,484,438	-	165,109	1,319,329	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activity Long-Term Liabilities	<u>\$ 30,557,187</u>	<u>\$ 25,544,522</u>	<u>\$ 10,350,088</u>	<u>\$ 45,751,621</u>	<u>\$ 1,810,396</u>
Business-Type Activities:					
Net Pension Liability	\$ 11,731,822	\$ 5,111,985	\$ 490,581	\$ 16,353,226	
Compensated Absences	234,277	23,783	53,293	204,767	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governmental Activity Long-Term Liabilities	<u>\$ 11,966,099</u>	<u>\$ 5,135,768</u>	<u>\$ 543,874</u>	<u>\$ 16,557,993</u>	<u>\$ -</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District is a member of the New Jersey Schools Insurance Group (NJSIG or the "Group"). The Group is a risk sharing public entity pool, established for the purpose of insuring against various risks.

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017		\$ 109,168	\$ 83,609	\$ 75,162
2016	\$ 3,500	99,720	74,841	49,379
2015	21,000	81,327	114,786	20,940

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

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

NOTE 4 OTHER INFORMATION (Continued)

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2017, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

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

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

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

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

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

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

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

Investment Valuation

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

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

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2015 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.06% for PERS, 7.06% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 1,165,000	\$ 3,365,046	\$ 18,640
2016	1,123,288	2,339,659	12,687
2015	991,465	1,518,039	10,876

In addition for fiscal year 2016/2017 the District contributed \$8,753 for PERS and the State contributed \$4,294 for TPAF for Long Term Disability Insurance Premium (LTDI). Of this amount, \$3,362 is reported in the General Fund and the balance of \$932 is allocated to the applicable enterprise funds.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,338,932 during the fiscal year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Of this amount, \$1,831,265 is reported in the General Fund and the balance of \$507,667 is allocated to the applicable enterprise funds. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$38,838,939 for its proportionate share of the PERS 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 that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District's proportionate share was .13114 percent, which was an increase of .00049 percent from its proportionate share measured as of June 30, 2015 of .13065 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,880,606 for PERS. Of this amount, \$1,716,846 is reported as governmental activities in the statement of activities and \$2,163,760 is reported as business type activities in both the statement of activities and statement of revenues, expenses and changes in fund net position. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 722,287	
Changes of Assumptions	8,045,354	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,480,964	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,378,947</u>	<u>\$ 668,258</u>
Total	<u>\$ 11,627,552</u>	<u>\$ 668,258</u>
Governmental Activities	\$ 6,731,744	\$ 386,886
Business Type Activities	<u>4,895,808</u>	<u>281,372</u>
	<u>\$ 11,627,552</u>	<u>\$ 668,258</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2017, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2018	\$ 2,444,274
2019	2,444,274
2020	2,444,274
2021	2,444,274
2022	1,182,198
Thereafter	<u>-</u>
	<u>\$ 10,959,294</u>

Actuarial Assumptions

The District's 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	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%
Mortality Rate Table	RP-2000

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

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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	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 US 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 US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$17,272,434 for TPAF. The difference between this amount and the actual on behalf payment made by the State of New Jersey is \$13,907,388. Of this amount, \$10,888,094 is reported as governmental activities in the statement of activities and \$3,019,294 is reported as business type activities and statement of revenues, expensed and changes in fund net position.

At June 30, 2017 the State's proportionate share of the net pension liability attributable to the District is \$229,882,009. Of this amount, \$179,974,625 is attributable to the governmental activities and \$49,907,384 is attributable to business type activities. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .29222 percent, which was an increase of .01144 percent from its proportionate share measured as of June 30, 2015 of .28078 percent.

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%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year 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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	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%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2029

Municipal Bond Rate * From July 1, 2029
and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District			
Governmental Activities	\$ 214,929,922	\$ 179,974,625	\$ 151,429,114
Business Type Activities	<u>59,600,570</u>	<u>49,907,384</u>	<u>41,991,647</u>
	<u>\$ 274,530,492</u>	<u>\$ 229,882,009</u>	<u>\$ 193,420,761</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

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

Significant Legislation

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

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 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 and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) 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 Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2017, 2016 and 2015 were \$2,803,849, \$2,785,888 and \$2,409,886, respectively, which equaled the required contributions for each year. Of the amount of \$2,803,849 for the fiscal year ended June 30, 2017, \$2,195,134 has been allocated to the General Fund and the balance of \$608,715 has been allocated to the respective Enterprise Funds. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipalities in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipalities entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Northern Valley Regional High School District, the District's share of abated taxes resulting from the seven (7) municipalities of the District having entered into tax abatement agreement are indeterminate.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 50,727,156		\$ 50,727,156	\$ 50,727,156	
Tuition from Individuals	131,145		131,145	235,304	\$ 104,159
Tuition from Other LEAs within the State	331,255		331,255	294,580	(36,675)
Tuition from Summer School	5,370		5,370	6,650	1,280
Interest Earned on Capital Reserve Funds	2,000		2,000	2,995	995
Miscellaneous	445,000	-	445,000	503,527	58,527
Total Local Sources	<u>51,641,926</u>	<u>-</u>	<u>51,641,926</u>	<u>51,770,212</u>	<u>128,286</u>
State Sources					
Special Education Aid	1,037,462		1,037,462	1,037,462	
Security Aid	42,643		42,643	42,643	
PARCC Readiness Aid	23,230		23,230	23,230	
Per Pupil Growth Aid	23,230		23,230	23,230	
Professional Learning Community Aid	22,480		22,480	22,480	
Transportation Aid	93,037		93,037	93,037	
Extraordinary Aid	650,500		650,500	782,292	131,792
Reimbursed Nonpublic Transportation Aid				16,760	16,760
TPAF Pension Contribution (On-Behalf)					
Normal Pension Contribution				2,542,378	2,542,378
NCGI Contribution				92,117	92,117
Long-Term Disability Contribution				3,362	3,362
Post Retirement Contribution				2,195,134	2,195,134
TPAF Social Security Contribution (On-Behalf)	-	-	-	1,831,265	1,831,265
Total State Sources	<u>1,892,582</u>	<u>-</u>	<u>1,892,582</u>	<u>8,705,390</u>	<u>6,812,808</u>
Total Revenues	<u>53,534,508</u>	<u>-</u>	<u>53,534,508</u>	<u>60,475,602</u>	<u>6,941,094</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	18,312,009	\$ 110,641	18,422,650	18,422,650	
Regular Programs - Home Instruction					
Salaries of Teachers	82,000	(19,183)	62,817	62,817	
Purchased Professional-Educational Services	30,000	93	30,093	25,133	4,960
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	7,100	(610)	6,490	6,490	
Purchased Technical Services	31,371	20,293	51,664	51,664	
Other Purchased Services	1,374,340	(101,953)	1,272,387	1,212,481	59,906
General Supplies	332,435	33,980	366,415	298,626	67,789
Textbooks	155,595	(19,614)	135,981	102,549	33,432
Other Objects	18,220	2,582	20,802	19,832	970
Total Regular Programs	<u>20,343,070</u>	<u>26,229</u>	<u>20,369,299</u>	<u>20,202,242</u>	<u>167,057</u>
Special Education					
Cognitive - Mild					
Salaries of Teachers	124,687		124,687	124,687	
Other Salaries for Instruction	72,569	(20,809)	51,760	51,759	1
General Supplies	1,400	(525)	875	875	-
Total Cognitive - Mild	<u>198,656</u>	<u>(21,334)</u>	<u>177,322</u>	<u>177,321</u>	<u>1</u>
Cognitive - Moderate					
Salaries of Teachers	100,286	(77,762)	22,524	22,524	
Other Salaries for Instruction	51,897	1,037	52,934	52,934	
General Supplies	1,400	(410)	990	990	-
Total Cognitive - Moderate	<u>153,583</u>	<u>(77,135)</u>	<u>76,448</u>	<u>76,448</u>	<u>-</u>

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

Exhibit C-1

EXPENDITURES	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENDITURES (Continued)					
Behavior Disabilities					
Salaries of Teachers	\$ 222,894	\$ 2,682	\$ 225,576	\$ 225,575	\$ 1
Other Salaries for Instruction	52,741	1,055	53,796	53,795	1
Other Objects	2,100	(1,719)	381	381	-
Total Behavior Disabilities	277,735	2,018	279,753	279,751	2
Multiple Disabilities					
Salaries of Teachers	324,833	(36,381)	288,452	288,452	
Other Salaries for Instruction	96,469	77,832	174,301	174,301	
General Supplies	11,200	6,507	17,707	12,282	5,425
Other Objects	38,800	73,873	112,673	103,843	8,830
Total Multiple Disabilities	471,302	121,831	593,133	578,878	14,255
Resource Room/Resource Center					
Salaries of Teachers	1,553,679	120,302	1,673,981	1,673,981	
General Supplies	8,000	(5,056)	2,944	2,179	765
Textbooks	4,000	(2,390)	1,610	232	1,378
Total Resource Room	1,565,679	112,856	1,678,535	1,676,392	2,143
Cognitive - Severe					
Salaries of Teachers	137,407	2,682	140,089	140,089	
Other Salaries for Instruction	69,884	22,036	91,920	91,920	
General Supplies	-	199	199	199	-
Total Cognitive-Severe	207,291	24,917	232,208	232,208	-
Total Special Education	2,874,246	163,153	3,037,399	3,020,998	16,401
Bilingual Education					
General Supplies	2,000	3,193	5,193	-	5,193
Total Bilingual Education	2,000	3,193	5,193	-	5,193
School Sponsored Co-Curricular Activities					
Salaries	452,743	33,766	486,509	486,509	
Purchased Services	8,800	(29)	8,771	8,771	
Supplies and Materials	20,300	(3,098)	17,202	17,202	
Other Objects	23,000	(8,936)	14,064	13,873	191
Total School Sponsored Co-Curricular Activities	504,843	21,703	526,546	526,355	191
School Sponsored Athletics - Instruction					
Salaries	1,365,681	(5,417)	1,360,264	1,364,610	(4,346)
Purchased Services	9,800	(168)	9,632	8,322	1,310
Supplies & Materials	139,290	31,622	170,912	145,970	24,942
Other Objects	58,071	(1,673)	56,398	50,705	5,693
Total School Sponsored Athletics - Instruction	1,572,842	24,364	1,597,206	1,569,607	27,599
Total - Instruction	25,297,001	238,642	25,535,643	25,319,202	216,441

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs within the State-Special	\$ 533,643	\$ 203,755	\$ 737,398	\$ 724,955	\$ 12,443
Tuition to County Vocational School District-Reg.	932,074	75,212	1,007,286	1,007,286	
Tuition to County Special Services - School Districts & Regional Day Schools	776,551	(27,366)	749,185	690,437	58,748
Tuition to Private Schools - Disabled w/i State	1,597,737	(116,944)	1,480,793	1,369,019	111,774
Tuition to Private Schools - Disabled & amp; Other LEAs-Spl, O/S St	348,965	(180,037)	168,928	168,400	528
Tuition - Other	6,531	44	6,575	6,575	-
Total Undistributed Expenditures - Instruction	4,195,501	(45,336)	4,150,165	3,966,672	183,493
Attendance and Social Work					
Salaries	81,380		81,380	80,541	839
Other Purchased Services	1,000	-	1,000	-	1,000
Total Attendance and Social Work	82,380	-	82,380	80,541	1,839
Health Services					
Salaries	316,216	1,031	317,247	315,798	1,449
Purchased Professional & Technical Services	96,900	(16,584)	80,316	38,710	41,606
Other Purchased Services	1,600		1,600	676	924
Supplies and Materials	6,950	7,856	14,806	14,385	421
Other Objects	6,000	(1,647)	4,353	3,746	607
Total Health Services	427,666	(9,344)	418,322	373,315	45,007
Speech, OT, PT & Related Services					
Purchased Professional/Educational Services	1,800	18,200	20,000	20,000	-
Total Speech, OT, PT & Related Services	1,800	18,200	20,000	20,000	-
Oth Supp Serv Std - Extra Serv					
Salaries	269,063	(11,159)	257,904	257,904	-
Total Oth Supp Serv Std - Extra Serv	269,063	(11,159)	257,904	257,904	-
Guidance					
Salaries of Other Professional Staff	1,882,615	(66,275)	1,816,340	1,805,782	10,558
Salaries of Secretarial and Clerical Assistants	465,436	(1,443)	463,993	453,274	10,719
Supplies and Materials	17,450	(10,368)	7,082	4,410	2,672
Total Guidance	2,365,501	(78,086)	2,287,415	2,263,466	23,949
Child Study Teams					
Salaries of Other Professional Staff	1,079,162	189,984	1,269,146	1,269,146	
Salaries of Secretarial and Clerical Assistants	161,145		161,145	161,145	
Other Salaries	46,395	33,375	79,770	71,001	8,769
Supplies and Materials	255,300	(36,599)	218,701	192,260	26,441
Other Objects	8,000	-	8,000	2,344	5,656
Total Child Study Teams	1,550,002	186,760	1,736,762	1,695,896	40,866

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

Exhibit C-1

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENDITURES (Continued)					
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisor of Instruction	\$ 152,673		\$ 152,673	\$ 151,612	\$ 1,061
Other Salaries	33,000	(33,000)			
Purchased Prof. - Educational Services	316,800	6,619	323,419	287,878	35,541
Supplies and Materials	22,800	(4,139)	18,661	10,575	8,086
Other Objects	3,800	1,744	5,544	4,867	677
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	529,073	(28,776)	500,297	454,932	45,365
Educational Media Services/School Library					
Salaries	272,181	(9,642)	262,539	252,997	9,542
Purchased Professional and Technical Services	173,400	(1,759)	171,641	170,225	1,416
Other Purchased Services	39,400	126	39,526	39,262	264
Supplies and Materials	98,600	(2,462)	96,138	88,678	7,460
Other Objects	5,600	(352)	5,248	3,884	1,364
Total Educational Media Services/School Library	589,181	(14,089)	575,092	555,046	20,046
Instructional Staff Training Services					
Salaries of Secretarial and Clerical Assist	26,830		26,830	26,830	
Other Salaries	49,000		49,000	1,125	47,875
Purchased Professional - Educational Services	10,000	2,299	12,299	2,498	9,801
Other Purchased Services	115,510	5,924	121,434	66,871	54,563
Total Instructional Staff Training Services	201,340	8,223	209,563	97,324	112,239
Support Services General Administration					
Salaries	341,582	14,401	355,983	355,983	
Legal Services	122,000	15,859	137,859	116,901	20,958
Audit Fees	40,000	(8,750)	31,250	31,250	
Other Purchased Professional Services	41,000	15,221	56,221	56,221	
Communications/Telephone	102,000	(8,865)	93,135	78,163	14,972
Misc. Purchased Services	233,000	12,854	245,854	245,854	
General Supplies	44,500	2,600	47,100	42,385	4,715
Judgments against the School District	23,000	(23,000)			
Miscellaneous Expenditures	3,000	2,882	5,882	5,497	385
Total Support Services General Administration	950,082	23,202	973,284	932,254	41,030
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,891,935	615	1,892,550	1,884,279	8,271
Salaries of Other Professional Staff	521,073	(627)	520,446	520,446	
Salaries of Secretarial and Clerical Assistants	413,324	1	413,325	413,325	
Other Purchased Services	19,000	(18,180)	820	820	
Supplies and Materials	21,300	24,590	45,890	42,233	3,657
Other Objects	16,500	29,935	46,435	46,435	-
Total Support Services School Administration	2,883,132	36,334	2,919,466	2,907,538	11,928
Central Services					
Salaries	523,288	(24,622)	498,666	456,822	41,844
Purchased Technical Services	13,512	15,055	28,567	28,567	
Misc. Purchased Services	3,000	5,282	8,282	4,338	3,944
Supplies and Materials	14,500	(282)	14,218	12,026	2,192
Miscellaneous Expenditures	5,200	46	5,246	4,207	1,039
Total Central Services	559,500	(4,521)	554,979	505,960	49,019
Administration - Information Technology Services					
Purchased Technical Services	155,230	39,622	194,852	194,852	
Other Purchased Services	19,000	-	19,000	18,994	6
Total Administration Information Technology Svcs.	174,230	39,622	213,852	213,846	6

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 293,164	\$ (29,675)	\$ 263,489	\$ 263,489	
Cleaning, Repair and Maintenance Services	201,000	(39,660)	161,340	153,086	\$ 8,254
General Supplies	122,000	(6,738)	115,262	70,005	45,257
Total Required Maint. For School Facilities	616,164	(76,073)	540,091	486,580	53,511
Custodial Services					
Salaries	2,012,858	8,917	2,021,775	2,021,775	
Purchased Professional and Technical Services	114,000	(25,200)	88,800	82,662	6,138
Cleaning, Repair and Maintenance Services	377,275	161,143	538,418	511,805	26,613
Other Purchased Property Services	161,500	45,008	206,508	174,906	31,602
Insurance	288,175	(97,941)	190,234	190,234	
General Supplies	150,000	50,991	200,991	179,873	21,118
Energy (Natural Gas)	201,000	(18,171)	182,829	182,269	560
Energy (Electricity)	452,500	13,631	466,131	466,131	
Other Objects	6,000	(2,711)	3,289	3,289	
Total Custodial Services	3,763,308	135,667	3,898,975	3,812,944	86,031
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	51,000	(50,953)	47		47
Cleaning, Repair and Maintenance Svc.	64,000	37,597	101,597	85,259	16,338
General Supplies	31,000	64,066	95,066	85,862	9,204
Total Care and Upkeep of Grounds	146,000	50,710	196,710	171,121	25,589
Student Transportation Services					
Salaries of Non-Instructional Aides	119,859		119,859	116,756	3,103
Contracted Serv. - Aid in Lieu Pymts - NonPub Sch	38,760	(4,700)	34,060	31,382	2,678
Contracted Serv. (Bet. Home and Sch)-Vendors	430,075	(5,077)	424,998	417,491	7,507
Contracted Serv. (Oth. Than Bet. Home and Sch)-Vendors	396,890	52,580	449,470	445,869	3,601
Contracted Serv. (Sp Ed Stds)-Vendors	648,300	(2,998)	645,302	645,302	
Total Student Transportation Services	1,633,884	39,805	1,673,689	1,656,800	16,889
Unallocated Benefits - Employee Benefits					
Social Security Contributions	630,500		630,500	620,748	9,752
TPAF Contributions - ERIP	7,100	(7,100)			
Other Retirement Contribution-PERS	692,844		692,844	683,433	9,411
Other Retirement Contribution-Regular		18,640	18,640	18,640	
Unemployment Compensation	25,000		25,000		25,000
Worker's Compensation	417,000	(780)	416,220	344,964	71,256
Health Benefits	5,990,946	(353,041)	5,637,905	5,081,738	556,167
Other Employee Benefits	11,500	8,460	19,960	7,874	12,086
Unused Sick Payments to Terminated/Retired Staff	55,000	41,996	96,996	96,996	
Total Unallocated Benefits - Employee Benefits	7,829,890	(291,825)	7,538,065	6,854,393	683,672
TPAF Pension Contribution (Non Budgeted)					
Normal Pension Contribution				2,542,378	(2,542,378)
NCGI Contribution				92,117	(92,117)
Long-Term Disability Contribution				3,362	(3,362)
Post Retirement Contribution				2,195,134	(2,195,134)
TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,831,265	(1,831,265)
	-	-	-	6,664,256	(6,664,256)
Total Undistributed Expenditures	28,767,697	(20,686)	28,747,011	33,970,788	(5,223,777)
Total Current Expenditures	54,064,698	217,956	54,282,654	59,289,990	(5,007,336)

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures					
Custodial Services	\$ 7,000		\$ 7,000	\$ 2,869	\$ 4,131
Care and Upkeep Grounds	32,000	-	32,000	18,643	13,357
Total Equipment	<u>39,000</u>	<u>-</u>	<u>39,000</u>	<u>21,512</u>	<u>17,488</u>
Facilities and Acquisitions					
Architectural/Engineering Services	10,000		10,000	2,144	7,856
Construction Services	150,000	\$ 354,137	504,137	461,358	42,779
Assessment for Debt Service on SDA Funding	67,210	-	67,210	67,210	-
Total Facilities and Acquisitions	<u>227,210</u>	<u>354,137</u>	<u>581,347</u>	<u>530,712</u>	<u>50,635</u>
Assets Acquired Under Capital Leases (Non-Budget)					
Undistributed Expenditures					
Modular Classroom Building	-	-	-	412,490	(412,490)
Total Assets Acquired Under Capital Leases (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,490</u>	<u>(412,490)</u>
Interest Deposit to Capital Reserve					
	2,000	-	2,000	-	2,000
Total Capital Outlay	<u>268,210</u>	<u>354,137</u>	<u>622,347</u>	<u>964,714</u>	<u>(342,367)</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Other Salaries for Instruction	5,000	-	5,000	2,278	2,722
Total Summer School - Instruction	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>2,278</u>	<u>2,722</u>
Summer School - Support Services					
Personal Services - Employee Benefits	300	-	300	174	126
Total Summer School - Support Services	<u>300</u>	<u>-</u>	<u>300</u>	<u>174</u>	<u>126</u>
Total Special Schools	<u>5,300</u>	<u>-</u>	<u>5,300</u>	<u>2,452</u>	<u>2,848</u>
Total Expenditures - General Fund	<u>54,338,208</u>	<u>572,093</u>	<u>54,910,301</u>	<u>60,257,156</u>	<u>(5,346,855)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	(803,700)	(572,093)	(1,375,793)	218,446	1,594,239
Other Financing Sources (Uses)					
Transfers In - Capital Projects				21,756	21,756
Capital Lease Proceeds (Non-Budget)				412,490	412,490
Capital Reserve - Transfer to Capital Projects	(790,000)	330,916	(459,084)	(459,084)	
Transfers to Cover Deficit - Food Service	(31,300)	-	(31,300)	(27,452)	3,848
Total Other Financing Sources (Uses)	<u>(821,300)</u>	<u>330,916</u>	<u>(490,384)</u>	<u>(52,290)</u>	<u>438,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Financing Sources					
	(1,625,000)	(241,177)	(1,866,177)	166,156	2,032,333
Fund Balances, Beginning of Year					
	5,034,041	-	5,034,041	5,034,041	-
Fund Balances, End of Year					
	<u>\$ 3,409,041</u>	<u>\$ (241,177)</u>	<u>\$ 3,167,864</u>	<u>\$ 5,200,197</u>	<u>\$ 2,032,333</u>
Recapitulation of Fund Balance					
Restricted					
Capital Reserve				\$ 1,235,819	
Capital Reserve - Designated for Subsequent Year's Budget				760,000	
Excess Surplus				826,715	
Committed					
Year-end Encumbrances				54,537	
Assigned					
Year-end Encumbrances				266,784	
Designated for Subsequent Year's Expenditures				835,000	
Unassigned Fund Balance				<u>1,221,342</u>	
				5,200,197	
Less State Aid not Recognized on a GAAP Basis				(856,652)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 4,343,545</u>	

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources		\$ 92,780	\$ 92,780	\$ 89,123	\$ (3,657)
State Sources	\$ 117,127	52,265	169,392	153,348	(16,044)
Federal Sources	716,989	301,207	1,018,196	887,407	(130,789)
Total Revenues	<u>834,116</u>	<u>446,252</u>	<u>1,280,368</u>	<u>1,129,878</u>	<u>(150,490)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	123,661	(18,961)	104,700	104,682	18
Tuition	441,304	35,020	476,324	476,324	-
Purchased Professional & Technical Svcs		4,800	4,800	3,080	1,720
Other Purchased Services		5,250	5,250	222	5,028
General Supplies	65,199	143,925	209,124	144,505	64,619
Textbooks	23,200	5,678	28,878	28,808	70
Other Objects	-	5,000	5,000	5,000	-
Total Instruction	<u>653,364</u>	<u>180,712</u>	<u>834,076</u>	<u>762,621</u>	<u>71,455</u>
Support Services					
Salaries of Teachers		24,980	24,980	18,048	6,932
Personal Services - Employee Benefits		28,821	28,821	28,173	648
Purchased Professional & Technical Svc	43,548	67,910	111,458	74,550	36,908
Purchased Professional & Educational Svc	137,204	20,023	157,227	140,943	16,284
Other Purchased Services		29,581	29,581	16,668	12,913
General Supplies		28,904	28,904	23,628	5,276
Other Objects	-	13,196	13,196	13,122	74
Total Support Services	<u>180,752</u>	<u>213,415</u>	<u>394,167</u>	<u>315,132</u>	<u>79,035</u>
Facilities Acquisition and Construction Services					
Noninstructional Equipment	-	52,125	52,125	52,125	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>52,125</u>	<u>52,125</u>	<u>52,125</u>	<u>-</u>
Total Expenditures	<u>834,116</u>	<u>446,252</u>	<u>1,280,368</u>	<u>1,129,878</u>	<u>150,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Sources/Inflows of Resources			
Actual revenue amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 60,475,602	\$ 1,129,878	
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations			
June 30, 2016		42,542	
June 30, 2017		(36,222)	
State Aid payment not recognized for GAAP purposes, not recognized for budgetary statements. (2015/2016 State Aid)	735,719		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2016/2017 State Aid)	<u>(856,652)</u>	<u>-</u>	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 60,354,669</u>	<u>\$ 1,136,198</u>	

Uses/Outflows of Resources			
Actual expenditure amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 60,257,156	\$ 1,129,878	
Differences-Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
June 30, 2016		\$ 42,542	
June 30, 2017	<u>-</u>	<u>(36,222)</u>	

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 60,257,156</u>	<u>\$ 1,136,198</u>	
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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

Public Employees Retirement System

Last Four Fiscal Years*
 (Dollar amounts in thousands)

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.13114	%	0.13065	%	0.12026	%	0.12681
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 38,838,939</u>		<u>\$ 29,329,571</u>		<u>\$ 22,517,299</u>		<u>\$ 24,236,483</u>
District's Covered-Employee Payroll	<u>\$ 9,053,528</u>		<u>\$ 8,820,274</u>		<u>\$ 8,698,012</u>		<u>\$ 8,331,976</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	428.99%		332.52%		258.88%		290.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%		47.93%		52.08%		48.72%

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

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

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

Public Employees Retirement System

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,165,000	\$ 1,123,288	\$ 991,465	\$ 1,063,968
Contributions in Relation to the Contractually Required Contribution	<u>1,165,000</u>	<u>1,123,288</u>	<u>991,465</u>	<u>1,063,968</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	<u>\$ 9,053,528</u>	<u>\$ 8,820,274</u>	<u>\$ 8,698,012</u>	<u>\$ 8,331,976</u>
Contributions as a Percentage of Covered-Employee Payroll	12.87%	12.74%	11.40%	12.77%

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

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

Teachers Pension and Annuity Fund

Last Four Fiscal Years*
(Dollar amounts in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 229,882,009</u>	<u>\$ 177,469,574</u>	<u>\$ 155,072,298</u>	<u>\$ 140,923,005</u>
Total	<u>\$ 229,882,009</u>	<u>\$ 177,469,574</u>	<u>\$ 155,072,298</u>	<u>\$ 140,923,005</u>
District's Covered-Employee Payroll	<u>\$ 31,124,171</u>	<u>\$ 30,464,167</u>	<u>\$ 28,604,258</u>	<u>\$ 28,131,131</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Changes of Benefit Terms: None.

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

SPECIAL REVENUE FUND

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

	<u>Local Grants</u>	<u>Nonpublic Nursing</u>	<u>Security Aid</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Chapter 192 Comp. Ed.</u>	<u>Chapter 193 Exam. and Class</u>	<u>Suppl. Inst.</u>	<u>Exhibit E-1a Totals</u>	<u>Grand Totals</u>
REVENUES										
Intergovernmental										
State		\$ 53,370	\$ 29,650	\$ 12,924	\$ 28,808	\$ 4,031	\$ 14,050	\$ 10,515		\$ 153,348
Federal									\$ 887,407	887,407
Local Sources										
Miscellaneous	\$ 89,123	-	-	-	-	-	-	-	-	89,123
Total Revenues	\$ 89,123	\$ 53,370	\$ 29,650	\$ 12,924	\$ 28,808	\$ 4,031	\$ 14,050	\$ 10,515	\$ 887,407	\$ 1,129,878
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 1,182								\$ 103,500	\$ 104,682
Tuition									476,324	476,324
Purchased Professional & Technical Svcs									3,080	3,080
Other Purchased Services	222									222
General Supplies	13,178		\$ 29,650	\$ 12,924					88,753	144,505
Textbooks					\$ 28,808					28,808
Other Objects									5,000	5,000
Total Instruction	14,582	-	29,650	12,924	28,808	-	-	-	676,657	762,621
Support Services										
Salaries of Teachers									18,048	18,048
Personal Services - Employee Benefits									28,173	28,173
Purchased Professional & Technical Svc		\$ 53,370							21,180	74,550
Purchased Professional & Educational Svc	3,588					\$ 4,031	\$ 14,050	\$ 10,515	108,759	140,943
Other Purchased Services	105								16,563	16,668
General Supplies	18,723								4,905	23,628
Other Objects									13,122	13,122
Total Support Services	22,416	53,370	-	-	-	4,031	14,050	10,515	210,750	315,132
Equipment										
Non-Instructional Equipment	52,125									52,125
Total Facilities Acq. & Construction	52,125									52,125
Total Expenditures	\$ 89,123	\$ 53,370	\$ 29,650	\$ 12,924	\$ 28,808	\$ 4,031	\$ 14,050	\$ 10,515	\$ 887,407	\$ 1,129,878

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

	NCLB				Individuals with	Career Pathways	Total Exhibit E-1a
	Title I	Title IIA	Title III	Title III - Immigrant	Disabilities Education Act Part B, Basic		
REVENUES							
Intergovernmental Federal	\$ 141,103	\$ 118,055	\$ 45,164	\$ 10,963	\$ 478,924	\$ 93,198	\$ 887,407
Total Revenues	\$ 141,103	\$ 118,055	\$ 45,164	\$ 10,963	\$ 478,924	\$ 93,198	\$ 887,407
EXPENDITURES							
Instruction							
Salaries of Teachers	\$ 103,500						\$ 103,500
Tuition					\$ 476,324		476,324
Purchased Professional & Technical Svs.						\$ 3,080	3,080
General Supplies			\$ 43,984	\$ 10,733		34,036	88,753
Other Objects	-	-	-	-	-	5,000	5,000
Total Instruction	103,500	-	43,984	10,733	476,324	42,116	676,657
Support Services							
Salaries of Teachers						18,048	18,048
Personal Services - Employee Benefits	26,910					1,263	28,173
Purchased Professional & Technical Svc.					2,600	18,580	21,180
Purchased Professional & Educational Svc		\$ 108,759					108,759
Other Purchased Services	3,638	3,459	1,180			8,286	16,563
General Supplies						4,905	4,905
Other Objects	7,055	5,837	-	230	-	-	13,122
Total Support Services	37,603	118,055	1,180	230	2,600	51,082	210,750
Total Expenditures	\$ 141,103	\$ 118,055	\$ 45,164	\$ 10,963	\$ 478,924	\$ 93,198	\$ 887,407

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Issue/Project Title	Approval Date	Appropriations	Appropriation Modifications	Modified Appropriation	Expenditures to Date		Cancelled	Balance, June 30, 2017
					Prior Year	Current Year		
Various Improvements to Demarest High School	9/25/2001	\$ 14,594,833		\$ 14,594,833	\$ 14,583,607		\$ 11,226	
Various Improvements to Old Tappan High School	9/25/2001	13,917,967		13,917,967	13,909,883		8,084	
Improvements to Schools	4/17/2007	2,186,000		2,186,000	2,185,805		195	
Improvements to Schools	4/21/2009	3,793,534	\$ 23,221	3,816,755	3,816,755			
HVAC and Roof Replacement	7/24/2015	821,102		821,102	273,998			\$ 547,104
Various Improvements to Demarest and Old Tappan High Schools	3/8/2016	11,707,485	435,863	12,143,348	653,757	\$ 9,806,734	-	1,682,857
		<u>\$ 47,020,921</u>	<u>\$ 459,084</u>	<u>\$ 47,480,005</u>	<u>\$ 35,423,805</u>	<u>\$ 9,806,734</u>	<u>\$ 19,505</u>	<u>\$ 2,229,961</u>
Project Balances, June 30, 2017								\$ 2,229,961
Less: Bonds Authorized but Not Issued								(485)
Fund Balance, June 30, 2017 (Budgetary Basis)								\$ 2,229,476
Less: Unearned Revenue								(375,303)
Fund Balance, June 30, 2017 (GAAP Basis)								<u>\$ 1,854,173</u>
Recapitulation of Fund Balance - June 30, 2017 (GAAP Basis)								
Restricted:								
Year-End Encumbrances								\$ 1,596,053
Available for Capital Projects								258,605
Bonds Authorized Not Issued								(485)
Total Fund Balance - Restricted for Capital Projects								<u>\$ 1,854,173</u>

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

REVENUES AND OTHER FINANCING SOURCES

Revenues

Bond Proceeds	\$ 11,707,000
Interest Income	21,756
Transfer from Capital Reserve	<u>459,084</u>

Total Revenues 12,187,840

EXPENDITURES AND OTHER FINANCING USES

Other Purchased Professional and Technical Services	573,368
Construction Services	8,846,513
General Supplies	386,853
Transfer to Capital Reserve	21,756
Transfer to Debt Service Fund	<u>19,505</u>

Total Expenditures and Other Financing Uses 9,847,995

Excess (Deficiency) of Revenues Over (Under) Expenditures 2,339,845

Fund Balance (Deficit), July 1, 2016 (110,369)

Fund Balance, June 30, 2017 2,229,476

Reconciliation to GAAP

Unearned Revenue- SDA Grant	<u>375,303</u>
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Fund Balance- June 30, 2017 (GAAP Basis) \$ 1,854,173

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
VARIOUS IMPROVEMENTS TO DEMAREST HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Additional Project Information:

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

Percentage Increase Over Original Authorized Cost	-4.47%
Percentage Completion	100.00%
Original Target Completion Date	09/01/05
Revised Target Completion Date	09/01/06

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
VARIOUS IMPROVEMENTS TO OLD TAPPAN HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Additional Project Information:

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

Percentage Increase Over Original

Authorized Cost	-4.68%
Percentage Completion	100.00%
Original Target Completion Date	09/01/05
Revised Target Completion Date	09/01/06

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
IMPROVEMENTS TO SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	4/17/2007
Bonds Authorized	\$ 2,186,130
Bonds Issued	\$ 2,186,000
Original Authorized Cost	\$ 2,186,130
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,186,130
 Percentage Increase Over Original	
Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/01/07
Revised Target Completion Date	12/01/07

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
IMPROVEMENTS TO SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Additional Project Information:

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

Percentage Increase Over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	10/01/10
Revised Target Completion Date	10/01/10

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
HVAC AND ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 484,902		\$ 484,902	\$ 484,902
Transfer from Capital Reserve	336,200	-	336,200	336,200
Total Revenues	821,102	-	821,102	821,102
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	17,112		17,112	50,000
Construction Services	256,886	-	256,886	771,102
Total Expenditures	273,998	\$ -	273,998	821,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 547,104	\$ -	\$ 547,104	\$ -

Additional Project Information:

Project Numbers	3710-050-14-1002-604
Grant Date	7/24/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,212,256
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,212,256

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	33.37%
Original Target Completion Date	09/01/15
Revised Target Completion Date	06/30/16

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
VARIOUS IMPROVEMENTS AT DEMAREST AND OLD TAPPAN HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds		\$ 11,707,000	\$ 11,707,000	\$ 11,707,485
Transfer from Capital Reserve	-	435,863	435,863	435,863
Total Revenues	<u>-</u>	<u>12,142,863</u>	<u>12,142,863</u>	<u>12,143,348</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	\$ 561,155	573,368	1,134,523	1,500,485
Construction Services	92,602	8,846,513	8,939,115	10,487,512
General Supplies	-	386,853	386,853	155,351
Total Expenditures	<u>653,757</u>	<u>9,806,734</u>	<u>10,460,491</u>	<u>12,143,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (653,757)</u>	<u>\$ 2,336,129</u>	<u>\$ 1,682,372</u>	<u>\$ -</u>

Additional Project Information:

Project Numbers:	3710-060-14-2000
	3710-060-14-3000
	3710-060-14-4000
	3710-050-15-1000
	3710-050-15-2000
	3710-060-15-1000
	3710-060-16-1000
	3710-050-14-3000
Grant Date	N/A
Bond Authorization Date	03/08/16
Bonds Authorized	07/12/16
Bonds Issued	\$ 11,707,000
Original Authorized Cost	\$ 11,707,485
Additional Authorized Cost	\$ 435,863
Revised Authorized Cost	\$ 12,143,348
Percentage Increase Over Original Authorized Cost	4%
Percentage Completion	86%
Original Target Completion Date	06/30/18
Revised Target Completion Date	06/30/18

ENTERPRISE FUNDS

**NORTHERN REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	Business Type Activities Non-Major Programs							Totals
	Food Service	Little Tots	Teens and Tots	Swimming	Ice Hockey	SAT Classes	Shared Service	
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 30,844	\$ 268,870	\$ 5,918	\$ 37,380	\$ 13,577	\$ 75,986	\$ 53,342	\$ 485,917
Intergovernmental Receivable			595					595
Other Accounts Receivable		315	810					1,125
Due from Other Funds				29,081			72,870	101,951
Inventories	10,503	-	-	-	-	-	-	10,503
Total Current Assets	<u>41,347</u>	<u>269,185</u>	<u>7,323</u>	<u>66,461</u>	<u>13,577</u>	<u>75,986</u>	<u>126,212</u>	<u>600,091</u>
Capital Assets								
Furniture, machinery & equipment	226,860							226,860
Less: Accumulated Depreciation	(193,945)	-	-	-	-	-	-	(193,945)
Total Capital Assets	<u>32,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,915</u>
DEFERRED OUTFLOW OF RESOURCES								
Deferred Amounts on Net Pension Liability	-	-	-	-	-	-	-	-
Total Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>74,262</u>	<u>269,185</u>	<u>7,323</u>	<u>66,461</u>	<u>13,577</u>	<u>75,986</u>	<u>126,212</u>	<u>633,006</u>
LIABILITIES								
Current Liabilities								
Due to Other Funds		231,435	29,676					261,111
Other Payable		14,111	24,866					38,977
Unearned Revenue	-	1,550	1,150	-	-	-	-	2,700
Total Current Liabilities	<u>-</u>	<u>247,096</u>	<u>55,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,788</u>
Noncurrent Liabilities								
Compensated Absences			11,020					11,020
Net Pension Liability	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>11,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,020</u>
DEFERRED INFLOW OF RESOURCES								
Deferred Amounts on Net Pension Liability	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>-</u>	<u>247,096</u>	<u>66,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,808</u>
NET POSITION								
Net Investment in Capital Assets	32,915	-	-	-	-	-	-	32,915
Unrestricted	41,347	22,089	(59,389)	66,461	13,577	75,986	126,212	286,283
Total Net Position	<u>\$ 74,262</u>	<u>\$ 22,089</u>	<u>\$ (59,389)</u>	<u>\$ 66,461</u>	<u>\$ 13,577</u>	<u>\$ 75,986</u>	<u>\$ 126,212</u>	<u>\$ 319,198</u>

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

	Business Type Activities							Totals
	Non-Major Programs							
	Food Service	Little Tots	Teens and Tots	Swimming	Ice Hockey	SAT Classes	Shared Service	
OPERATING REVENUES								
Charges for Services								
Daily sales - non-reimbursable	\$ 937,933							937,933
Special Functions	45,593							45,593
Charges and Fees	-	\$ 228,465	\$ 256,511	\$ 24,350	\$ 30,600	-	\$ 182,211	722,137
Total Operating Revenues	<u>983,526</u>	<u>228,465</u>	<u>256,511</u>	<u>24,350</u>	<u>30,600</u>	<u>-</u>	<u>182,211</u>	<u>1,705,663</u>
OPERATING EXPENSES								
Cost of Sales - non-reimbursable	452,280							452,280
Salaries/Salaries of Teachers	306,451	231,435	237,949				171,058	946,893
Unallocated Benefits	84,828		114,938				59,324	259,090
Purchased Property Services				14,550	28,985			43,535
Other Purchased Services	138,683							138,683
Supplies and Materials	31,360		6,494	2,452	1,155			41,461
Depreciation	3,895							3,895
Other Objects	99	-	-	-	-	-	-	99
Total Operating Expenses	<u>1,017,596</u>	<u>231,435</u>	<u>359,381</u>	<u>17,002</u>	<u>30,140</u>	<u>-</u>	<u>230,382</u>	<u>1,885,936</u>
Operating Income (Loss)	<u>(34,070)</u>	<u>(2,970)</u>	<u>(102,870)</u>	<u>7,348</u>	<u>460</u>	<u>-</u>	<u>(48,171)</u>	<u>(180,273)</u>
NONOPERATING REVENUES								
On-Behalf (Non-Budgeted)								
TPAF Pension System								
Post Retirement Medical			14,299				6,729	21,028
Normal Cost			16,562				7,794	24,356
NCGI			600				282	882
Long-Term Disability			22				10	32
Reimbursed TPAF S.S.			11,910				5,501	17,411
GASB 68 - TPAF On Behalf Adjustment			70,928				33,378	104,306
Interest	392	-	811	-	-	-	-	1,203
Total Non-Operating Revenues	<u>392</u>	<u>-</u>	<u>115,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,694</u>	<u>169,218</u>
Net Income (Loss) Before Contributions & Transfers	<u>(33,678)</u>	<u>(2,970)</u>	<u>12,262</u>	<u>7,348</u>	<u>460</u>	<u>-</u>	<u>5,523</u>	<u>(11,055)</u>
Transfers								
Transfers In(Out)	27,452	-	-	-	-	-	-	27,452
Change in Net Position	<u>(6,226)</u>	<u>(2,970)</u>	<u>12,262</u>	<u>7,348</u>	<u>460</u>	<u>-</u>	<u>5,523</u>	<u>16,397</u>
Total Net Position - Beginning of Year	<u>80,488</u>	<u>25,059</u>	<u>(71,651)</u>	<u>59,113</u>	<u>13,117</u>	<u>\$ 75,986</u>	<u>120,689</u>	<u>302,801</u>
Total Net Position - Ending of Year	<u>\$ 74,262</u>	<u>\$ 22,089</u>	<u>\$ (59,389)</u>	<u>\$ 66,461</u>	<u>\$ 13,577</u>	<u>\$ 75,986</u>	<u>\$ 126,212</u>	<u>\$ 319,198</u>

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

	Business Type Activities							Totals
	Food Service	Little Tots	Teens and Tots	Non-Major Programs			Shared Service	
				Swimming	Ice Hockey	SAT Classes		
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers	\$ 983,526	\$ 244,121	\$ 256,101	\$ 24,350	\$ 30,600		\$ 182,431	\$ 1,721,129
Payments to Employees and Benefits	(391,279)	(231,435)	(287,442)				(197,004)	(1,107,160)
Payments to Suppliers for Goods and Services	(654,083)	-	(6,944)	(17,002)	(30,140)	-	-	(708,169)
Net Cash Provided by(Used for) operating activities	(61,836)	12,686	(38,285)	7,348	460	-	(14,573)	(94,200)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Cash received from State Subsidy Reimbursement			43,365				20,096	63,461
Interfund Transfers	27,452	231,435	27	1	-	-	-	258,915
Net cash provided by (used for) Noncapital financing activities	27,452	231,435	43,392	1	-	-	20,096	322,376
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchases of capital assets	(11,206)	-	-	-	-	-	-	(11,206)
Net cash provided by(used for) capital and related financing activities	(11,206)	-	-	-	-	-	-	(11,206)
CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES								
Interest on Investments	392	-	811	-	-	-	-	1,203
Net cash provided by(used for) capital and related financing activities	392	-	811	-	-	-	-	1,203
Net increase (decrease) in cash and cash equivalents	(45,198)	244,121	5,918	7,349	460	-	5,523	218,173
Cash and Cash Equivalents - Beginning of Year	76,042	24,749	-	30,031	13,117	\$ 75,986	47,819	267,744
Cash and Cash Equivalents - End of Year	\$ 30,844	\$ 268,870	\$ 5,918	\$ 37,380	\$ 13,577	\$ 75,986	\$ 53,342	\$ 485,917
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities								
Operating Income(Loss)	\$ (34,070)	\$ (2,970)	\$ (102,870)	\$ 7,348	\$ 460	\$ -	\$ (48,171)	\$ (180,273)
Adjustments to reconcile operating income(loss) to net cash provided (used) by operating activities								
GASB 68 - TPAF On Behalf Adjustment			70,928				33,378	104,306
Depreciation	3,895							3,895
(Increase) Decrease in accounts receivable, net	-	5,370	(810)				220	4,780
(Increase) Decrease in inventories	(4,416)							(4,416)
Increase(decrease) in unearned revenues	-	1,450	(24,466)					(23,016)
Increase(decrease) in other payable		8,836	24,866					33,702
Increase(decrease) in accounts payable	(27,245)		(450)					(27,695)
Increase(decrease) in noncurrent liabilities	-	-	(5,483)	-	-	-	-	(5,483)
Total adjustments	(27,766)	15,656	64,585	-	-	-	33,598	86,073
Net cash provided by (used for) operating activities	\$ (61,836)	\$ 12,686	\$ (38,285)	\$ 7,348	\$ 460	\$ -	\$ (14,573)	\$ (94,200)

FIDUCIARY FUNDS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 654,753	\$ 109,047	\$ 763,800
Total Assets	<u>\$ 654,753</u>	<u>\$ 109,047</u>	<u>\$ 763,800</u>
LIABILITIES			
Due to Student Groups	\$ 654,753		\$ 654,753
Due to Other Funds		\$ 69,045	69,045
Reserve for Flexible Spending		28,581	28,581
Accrued Salaries and Wages		7,092	7,092
Payroll Deductions and Withholdings	-	4,329	4,329
Total Liabilities	<u>\$ 654,753</u>	<u>\$ 109,047</u>	<u>\$ 763,800</u>

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

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

	<u>Balance July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
SENIOR HIGH SCHOOLS:				
Demarest:				
General Organization Account	\$ 331,908	\$ 602,939	\$ 559,898	\$ 374,949
Athletic Account	364	94,075	94,439	
Old Tappan:				
General Organization Account	237,025	626,824	584,045	279,804
Athletic Account	1,117	86,428	87,545	-
	<u>\$ 570,414</u>	<u>\$ 1,410,266</u>	<u>\$ 1,325,927</u>	<u>\$ 654,753</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
Payroll Deductions and Withholdings	\$ 1,440	\$ 24,561,905	\$ 24,559,016	\$ 4,329
Accrued Salaries and Wages	7,048	28,086,956	28,086,912	7,092
Reserve for Flexible Spending	21,041	79,795	72,255	28,581
Due to Other Funds	109,045	58,301	98,301	69,045
	<u>\$ 138,574</u>	<u>\$ 52,786,957</u>	<u>\$ 52,816,484</u>	<u>\$ 109,047</u>

LONG-TERM DEBT

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2016	Issued	Retired	Balance, June 30, 2017
			Date	Amount					
2006 Refunding School Bonds	12/20/2006	\$ 16,865,000				\$ 9,065,000		\$ 9,065,000	
2007 School Bonds	6/29/2007	2,186,000	8/1/2017	\$ 260,000 (A)	4.125 %	515,000		255,000	\$ 260,000
2009 School Bonds	8/4/2009	2,290,000	8/1/2017	100,000	2.500				
			8/1/2018	215,000	2.750				
			8/1/2019	220,000	3.000				
			8/1/2020	230,000	3.250				
			8/1/2021	240,000	3.500				
			8/1/2022	255,000	3.500				
			8/1/2023	265,000	4.000				
			8/1/2024	275,000	4.000		1,895,000		95,000
2016 School Bonds	7/12/2016	11,707,000	8/1/2018	500,000	1.000				
			8/1/2019	525,000	2.000				
			8/1/2020	550,000	2.000				
			8/1/2021	575,000	2.000				
			8/1/2022-8/1/2028	1,000,000	2.000				
			8/1/2029	900,000	2.000				
			8/1/2030	850,000	2.000				
8/1/2031	807,000	2.500			\$ 11,707,000		11,707,000		
2017 Refunding School Bonds	1/18/2017	7,400,000	2/1/2018	1,380,000	3.000				
			2/1/2019	1,430,000	4.000				
			2/1/2020	1,485,000	4.000				
			2/1/2021	1,545,000	4.000				
			2/1/2022	1,000,000	3.000				
			2/1/2022	560,000	4.000				
						-	7,400,000	-	7,400,000
						\$ 11,475,000	\$ 19,107,000	\$ 9,415,000	\$ 21,167,000
						Paid by Budget Appropriation		\$ 1,700,000	
						Bonds Refunded		7,715,000	
								\$ 9,415,000	

(A) Represents sinking fund installments to be utilized to pay a term bond in the amount of \$260,000 due on August 1, 2017 at an interest rate of 4.125%.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS/LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue</u>	<u>Interest Rate</u>	Amount of <u>Original Issue</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
Modular Classroom Building	7.94%	\$ 412,490	\$ -	\$ 412,490	\$ 95,560	\$ 316,930
			<u>\$ -</u>	<u>\$ 412,490</u>	<u>\$ 95,560</u>	<u>\$ 316,930</u>

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,100,486		\$ 2,100,486	\$ 2,100,486	
State Sources					
Debt Service Aid	92,135		92,135	92,135	
Miscellaneous	-	-	-	6,596	\$ 6,596
	<u>2,192,621</u>	<u>-</u>	<u>2,192,621</u>	<u>2,199,217</u>	<u>6,596</u>
Total Revenues					
EXPENDITURES					
Regular Debt Service					
Principal	1,700,000		1,700,000	1,700,000	
Interest	493,141	-	493,141	493,140	1
Cost of Issuance on Refunding Bonds	-	-	-	114,772	(114,772)
	<u>2,193,141</u>	<u>-</u>	<u>2,193,141</u>	<u>2,307,912</u>	<u>(114,771)</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(520)	-	(520)	(108,695)	(108,175)
Other Financing Sources (Uses)					
Refunding Bond Proceeds				7,400,000	7,400,000
Premium on Issuance of Refunding Bonds				462,649	462,649
Payment to Escrow Agent - Bonds Refunded				(7,715,000)	(7,715,000)
Payment to Escrow Agent - Loss on Refunding Transfer In	-	-	-	(32,877)	(32,877)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,505</u>	<u>19,505</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,277</u>	<u>134,277</u>
Excess(Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	(520)	-	(520)	25,582	26,102
Fund Balance, Beginning of Year	520	-	520	520	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,102</u>	<u>\$ 26,102</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:

Available for Debt Service Expenditures \$ 26,102

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
								(Restated)		
Governmental Activities										
Net Investment in Capital Assets	\$ 15,777,203	\$ 16,851,722	\$ 19,823,544	\$ 21,274,677	\$ (7,702,913)	\$ (6,002,113)	\$ (5,679,679)	\$ (4,835,391)	\$ (2,655,839)	\$ (1,537,942)
Restricted	2,034,724	3,333,513	3,197,856	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137	2,194,207
Unrestricted	49,344	205,100	(233,186)	159,192	110,430	(932,197)	269,738	(14,728,127)	(15,276,946)	(15,481,034)
Total Governmental Activities Net Position	\$ 17,861,271	\$ 20,390,335	\$ 22,788,214	\$ 23,429,133	\$ (5,289,570)	\$ (4,238,412)	\$ (3,777,689)	\$ (16,986,853)	\$ (15,633,648)	\$ (14,824,769)
Business-Type Activities										
Net Investment in Capital Assets	\$ 30,375	\$ 18,189	\$ 65,738	\$ 63,516	\$ 94,520	\$ 106,452	\$ 107,934	\$ 88,085	\$ 95,402	\$ 92,526
Unrestricted	1,648,853	2,209,517	2,305,706	1,938,170	3,344,331	3,701,448	4,934,685	(3,984,203)	(4,492,879)	(6,239,012)
Total Business-Type Activities Net Position	\$ 1,679,228	\$ 2,227,706	\$ 2,371,444	\$ 2,001,686	\$ 3,438,851	\$ 3,807,900	\$ 5,042,619	\$ (3,896,118)	\$ (4,397,477)	\$ (6,146,486)
District-Wide										
Net Investment in Capital Assets	\$ 15,807,578	\$ 16,869,911	\$ 19,889,282	\$ 21,338,193	\$ (7,608,393)	\$ (5,895,661)	\$ (5,571,745)	\$ (4,747,306)	\$ (2,560,437)	\$ (1,445,416)
Restricted	2,034,724	3,333,513	3,197,856	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137	2,194,207
Unrestricted	1,698,197	2,414,617	2,072,520	2,097,362	3,454,761	2,769,251	5,204,423	(18,712,330)	(19,769,825)	(21,720,046)
Total District Net Position	\$ 19,540,499	\$ 22,618,041	\$ 25,159,658	\$ 25,430,819	\$ (1,850,719)	\$ (430,512)	\$ 1,264,930	\$ (20,882,971)	\$ (20,031,125)	\$ (20,971,255)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
Instruction										
Regular	22,669,683	22,707,100	23,423,252	24,244,866	25,153,023	26,346,867	25,455,524	26,513,942	32,470,087	36,453,238
Special Education	2,049,528	2,523,350	2,789,760	2,889,126	2,976,516	2,974,170	2,956,280	3,612,972	7,580,218	8,573,915
Other Instruction	2,565,594	2,494,100	2,455,672	2,402,119	2,098,270	2,662,527	2,706,078	2,573,423	2,152,551	274,467
School Sponsored Activities and Athletics									3,194,204	3,586,010
Support Services										
Tuition	2,097,135	2,082,566	2,350,378	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032		
Student and Instruction Related Services	7,833,221	7,645,049	7,205,575	7,086,118	7,583,943	7,868,758	7,958,877	7,695,646	8,754,056	9,243,193
School Administration Services	2,221,178	2,844,784	3,452,927	3,443,344	3,649,567	3,656,647	3,590,274	3,500,274	4,417,188	4,898,033
General and Business Administrative Services	2,017,062	1,968,448	2,205,915	2,009,499	1,884,039	1,888,064	2,261,567	1,301,361	1,288,164	1,288,164
Plant Operations And Maintenance	5,425,665	5,194,515	5,161,699	4,772,743	4,465,706	4,463,565	4,934,125	5,591,664	6,124,479	6,124,479
Transportation	1,556,241	1,559,797	1,723,880	1,578,324	1,662,519	1,683,728	1,654,579	1,641,240	1,619,465	1,720,084
Business and Other Support Services									965,986	946,417
Special Schools	78,038	78,676	71,929	70,788	82,407	75,940	68,385	24,058		
SDA Debt Service Assessment					48,392	67,210	67,210	67,210		
Interest on Long-Term Debt	932,888	884,611	897,025	890,275	814,237	749,942	682,603	612,133	537,815	653,603
Unallocated Depreciation										
Total Governmental Activities Expenses	49,427,055	48,984,996	51,740,008	52,083,884	53,445,149	56,096,744	56,523,029	57,025,415	66,657,095	73,763,603
Business-Type Activities										
Non-Major Programs	1,637,402	971,356	1,086,570	1,238,099	1,306,605	1,537,461	1,408,489	1,540,339	1,774,493	1,865,936
Technical Services	202,145	1,722,218	2,161,043	2,389,519	2,394,890	2,105,617	2,666,938	1,536,888	1,116,044	960,341
Teens and Tots			286,548	286,889	286,741					
Major Programs										
Regional Cooperative Program	866,508	937,110	978,198	860,221	904,957	958,507	956,561	1,183,505	1,434,251	1,579,032
Regional Transportation	2,799,088	2,627,726	2,659,844	1,867,902	1,654,686	1,724,204	1,738,880	1,694,080	1,838,084	2,201,992
Regional Special Education	12,056,825	12,148,983	12,205,812	12,545,985	12,677,576	13,402,912	14,188,829	15,332,292	15,925,763	24,235,108
Total Business-Type Activities Expense	17,691,866	18,693,418	19,528,155	19,238,525	19,221,455	19,878,891	21,020,697	21,201,104	26,108,635	30,659,409
Total District Expense	67,118,921	68,678,414	71,068,163	71,322,409	72,666,604	76,375,635	77,543,726	78,226,519	92,765,730	104,423,012
Program Revenues										
Governmental Activities										
Changes For Services										
Regular	38,275	20,250	56,772	13,795	78,659	69,537	64,137	9,913	436,315	479,534
Special Education	952,888	774,101	786,839	797,670	721,118	656,418	988,837	519,927	14,700,738	20,543,568
Interest on long-term debt	2,684,853	2,653,449	2,653,449	5,671,276	7,022,518	8,685,113	8,169,263	7,587,552	109,339	41,640
Operating Grants and Contributions										
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	3,656,016	3,059,791	7,886,242	6,482,741	7,817,075	9,411,068	8,822,237	8,097,373	15,306,632	21,121,742
Business-Type Activities										
Changes For Services										
Non-Major Programs	1,256,388	985,932	1,093,387	1,261,511	1,285,589	1,605,810	1,506,624	1,477,105	1,675,882	1,705,663
Major Programs										
Technical Services	2,214,352	2,075,162	2,115,441	2,115,441	3,156,038	2,069,949	2,610,416	1,318,642	716,682	934,104
Teens and Tots	238,703	293,270	258,772	293,237	279,858					
Regional Cooperative Program	883,614	946,541	1,001,176	966,349	1,027,687	1,006,340	1,094,086	1,334,198	1,264,099	1,357,097
Regional Transportation	2,749,332	2,754,246	2,574,404	1,697,411	1,644,055	1,751,827	1,968,757	1,580,097	1,960,733	1,960,733
Regional Special Education	12,470,291	11,964,731	12,458,279	12,533,806	13,253,069	13,803,688	15,236,985	15,419,458	17,097,926	18,015,364
Operating Grants And Contributions									3,210,006	4,867,159
Total Business-Type Activities Program Revenues	17,618,828	19,159,172	19,461,180	18,859,755	20,642,296	20,327,614	22,249,938	21,518,160	25,544,392	28,840,120
Total District Program Revenues	26,274,844	27,218,963	27,347,422	25,342,496	28,465,371	29,648,682	31,072,175	29,615,533	40,851,244	49,961,862
Net (Expense)/Revenue	(40,771,037)	(41,925,205)	(43,833,766)	(45,601,063)	(45,828,074)	(47,085,676)	(47,702,792)	(49,328,042)	(51,350,243)	(52,641,861)
Governmental Activities										
Business-Type Activities	(73,238)	465,754	133,045	(348,770)	1,422,841	358,723	1,229,241	317,056	(560,243)	(1,790,289)
Total District-Wide Net Expenses	(40,844,275)	(41,459,451)	(43,720,721)	(45,949,833)	(44,206,233)	(46,726,953)	(46,473,551)	(49,010,986)	(51,914,486)	(54,432,150)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenue and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied For General Purposes, Net	\$ 39,018,015	\$ 41,321,482	\$ 43,139,783	\$ 44,885,124	\$ 45,603,296	\$ 46,515,369	\$ 47,399,154	\$ 48,526,678	\$ 49,835,108	\$ 50,727,156
Taxes Levied For Debt Service	413,662	866,083	852,409	841,570	1,082,897	1,147,383	1,214,763	1,569,746	2,091,842	2,100,886
Federal and State Aid - Unrestricted	183,662	15,498	312,708	314,416	72,590	151,408	318,883	81,489	44,998	23,541
Tuition (other than special schools)	103,724	248,113	246,114	276,499	307,322	204,098	315,873	336,071	491,598	524,874
Investment earnings	373,774	84,411	75,224	35,101	19,888	24,853	12,573	19,584	688,436	
Miscellaneous Income	33,289	310,825	111,127	171,988	213,638	94,008	143,252	187,837		
Advances on Capital Assets	(915,894)				(30,412,316)		(937,463)			
N.J. Economic Development Authority grants		1,526,755						884,902		
Debt Service Advances										
Refunding bond proceeds										
Relating bond proceeds										
State Aid Restricted for Debt Service	(3,142)	(63,879)	611	364	4,936				92,242	92,135
Federal and State Aid - Unrestricted									(49,148)	(27,532)
Transfers										
Total Governmental Activities	39,864,306	44,519,267	44,559,965	46,241,982	16,891,671	48,136,836	48,163,515	51,199,407	52,703,448	53,490,249
Business-Type Activities										
Investment earnings	59,671	18,649	10,696	8,296	9,325	10,326	5,477	6,239	13,736	13,828
Retiree on prior year revenue										
Miscellaneous Income	3,142	64,074							49,148	27,532
Transfers										
Total Business-Type Activities	62,813	82,723	10,696	8,296	9,325	10,326	5,477	6,239	62,884	41,360
Total District-Wide	\$ 39,827,119	\$ 44,401,990	\$ 44,570,661	\$ 46,250,278	\$ 16,900,996	\$ 48,147,162	\$ 48,168,992	\$ 51,205,646	\$ 52,766,332	\$ 53,492,020
Change in Net Position										
Governmental Activities	\$ (1,406,733)	\$ 2,394,062	\$ 706,199	\$ 640,919	\$ (28,736,403)	\$ 1,051,160	\$ 460,723	\$ 1,871,365	\$ 1,353,205	\$ 808,879
Business-Type Activities	(10,425)	548,477	145,741	(340,474)	1,437,166	369,949	1,234,718	323,295	(301,359)	(1,749,009)
Total District	\$ (1,417,158)	\$ 2,942,539	\$ 849,940	\$ 300,445	\$ (27,299,237)	\$ 1,420,209	\$ 1,695,441	\$ 2,194,660	\$ 851,846	\$ (940,130)

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Restricted				\$ 1,202,640	\$ 1,751,542	\$ 1,904,293	\$ 1,549,498	\$ 1,656,070	\$ 2,784,289	\$ 2,822,534
Committed										54,537
Assigned				975,231	1,235,849	1,609,490	895,598	842,072	1,052,956	1,101,784
Unassigned				946,075	949,913	912,470	996,135	970,618	461,077	364,690
Reserved	\$ 1,882,950	\$ 1,878,737	\$ 2,276,442							
Unreserved	1,228,683	1,410,698	1,099,070							
Total general fund	<u>3,111,633</u>	<u>3,289,435</u>	<u>3,375,512</u>	<u>3,123,946</u>	<u>3,937,304</u>	<u>4,426,253</u>	<u>3,441,232</u>	<u>3,468,760</u>	<u>4,298,322</u>	<u>4,343,545</u>
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund				239,302	29,108	11,469	(3,716)	544,886	(485,672)	1,854,173
Debt service fund						418	869	971	520	26,102
Assigned, reported in:										
Capital projects fund				480,176	151,649	8,036		272,500		
Reserved	176,253	792,540	263,425							
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	353,636	1,020,273	1,057,760							
Debt service fund										
Total all other governmental funds	<u>529,889</u>	<u>1,812,813</u>	<u>1,321,185</u>	<u>719,478</u>	<u>180,757</u>	<u>19,923</u>	<u>(2,847)</u>	<u>818,357</u>	<u>(485,152)</u>	<u>1,880,275</u>
Total Fund Balances	<u>\$ 3,641,522</u>	<u>\$ 5,102,248</u>	<u>\$ 4,696,697</u>	<u>\$ 3,843,424</u>	<u>\$ 4,118,061</u>	<u>\$ 4,446,176</u>	<u>\$ 3,438,385</u>	<u>\$ 4,287,117</u>	<u>\$ 3,813,170</u>	<u>\$ 6,223,820</u>

Source: District records

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 40,163,228	\$ 42,961,668	44,798,023	\$ 46,524,374	\$ 47,407,281	\$ 48,318,962	\$ 49,202,754	\$ 50,616,351	\$ 51,926,950	\$ 52,827,642
Tuition Charges	232,309	268,365	285,885	290,224	381,060	273,565	379,708	345,984		
Interest Earnings	373,715	94,411	75,224	35,101	19,488	24,853	12,573	12,684		
Miscellaneous	73,389	353,246	186,064	222,834	233,786	175,503	209,914	267,794	1,169,933	1,160,817
State Sources	7,341,537	6,103,439	5724528	4,735,544	6,182,621	7,898,059	7,408,709	6,809,259	7,367,594	8,830,390
Federal Sources	755,279	1,135,052	1,375,871	916,283	891,869	856,961	732,776	759,805	820,747	892,991
Total Revenues	48,939,457	50,916,181	52,445,595	52,724,360	55,116,105	57,547,903	57,946,434	58,811,877	61,285,224	63,711,840
Expenditures										
Instruction										
Regular Instruction	16,604,073	17,198,599	17,411,529	18,239,872	18,479,017	18,247,034	19,240,020	19,926,862	27,563,772	29,024,367
Special Education Instruction	1,467,375	1,981,306	2,199,037	2,281,195	2,281,264	2,187,182	2,241,351	2,794,832	6,999,967	7,528,240
Other Instruction									214,899	274,143
School Sponsored Activities and Athletics	1,962,801	1,924,722	1,850,191	1,831,959	1,834,887	1,971,572	2,052,440	1,980,532	2,713,609	2,851,148
Support Services										
Tuition	2,097,135	2,082,566	2,350,378	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032		
Student and Inst. Related Services	6,019,684	6,065,776	5,631,682	5,546,891	5,861,341	5,933,221	6,252,773	6,096,964	7,841,390	7,929,546
School Administration Services	1,570,268	2,099,697	2,492,507	2,548,102	2,674,623	2,695,827	2,550,169	2,642,592	3,825,645	4,002,277
General Administration Services	1,536,125	1,567,644	1,808,065	1,655,897	1,498,256	1,514,279	1,833,043	1,587,750	1,272,702	1,122,811
Business and Other Support Services									914,227	878,093
Plant Operations And Maintenance	4,379,410	4,281,322	4,056,549	3,687,409	3,658,417	3,714,825	4,325,075	4,176,152	4,833,781	5,251,786
Pupil Transportation	1,490,139	1,512,641	1,675,099	1,538,055	1,579,595	1,631,308	1,597,668	1,587,075	1,602,455	1,697,256
Other Support Services										
Unallocated Employee Benefits	10,575,282	9,676,317	10,443,064	10,380,274	10,684,269	12,158,179	12,056,282	10,925,005		
Transfer of Funds to Charter Schools	78,059	78,676	71,929	53,528	61,740	55,520	50,953	18,339		
Capital Outlay	2,638,780	1,410,871	3,251,437	1,113,104	959,117	1,202,645	600,762	190,616	1,258,138	10,544,861
Debt Service										
Principal	935,000	1,106,000	1,045,000	1,085,000	1,330,000	1,400,000	1,465,000	1,540,000	1,615,000	1,795,560
Interest and Other Charges	912,186	904,689	855,291	920,109	840,388	777,369	711,288	642,297	569,535	607,912
Total Expenditures	52,266,317	51,890,826	55,141,758	53,577,997	54,846,424	57,219,788	58,931,004	58,448,048	61,225,120	73,508,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,326,860)	(974,645)	(2,696,163)	(853,637)	269,681	328,115	(984,570)	363,829	60,104	(9,796,160)
Other Financing Sources (Uses)										
Proceeds from Borrowing				2,290,000						11,707,000
Capital Leases (Non-Budgeted)		451,000	972,493							412,490
Proceeds from Refunding	2,186,000									7,862,649
Payments to Escrow Agent										(7,747,877)
N.J. Economic Development Authority Grants	(0)		1,526,755				(23,221)	484,902		
Transfers in	195,274	643,509	263,004	155,158	275,362	280,662	279,371	336,720		500,345
Transfers Out	(198,413)	(646,651)	(326,883)	(154,546)	(274,998)	(280,662)	(279,371)	(336,720)	(49,148)	(527,797)
Total Other Financing Sources (Uses)	2,182,861	447,858	2,435,369	2,290,612	364	-	(23,221)	484,902	(49,148)	12,206,810
Net Change in Fund Balances	\$ (1,143,999)	\$ (526,787)	\$ (260,794)	\$ 1,436,975	\$ 270,045	\$ 328,115	\$ (1,007,791)	\$ 848,731	\$ 10,956	\$ 2,410,650
Debt Service as a Percentage of Noncapital Expenditures	3.72%	3.98%	3.66%	3.82%	4.03%	3.89%	3.73%	3.75%	3.64%	3.82%

* Noncapital expenditures are total expenditures less capital outlay.

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Summer School</u>	<u>Tuition</u>	<u>Interest</u>	<u>Gate Receipts</u>	<u>Rentals</u>	<u>Athletics and Activities Fees</u>	<u>Laptop Maintenance and Rentals</u>	<u>Sale of Assets</u>	<u>Insurance Refund</u>	<u>Miscellaneous</u>	<u>Total</u>
2008	\$ 38,575	\$ 193,734	\$ 373,716	\$ 8,806	\$ 4,083					\$ 19,400	\$ 638,314
2009	20,250	248,115	91,595	9,274	4,403			\$ 250,000		47,148	670,785
2010	36,772	249,113	71,542	10,919		\$ 71,789				28,418	468,553
2011	13,795	276,429	33,368	11,324	10,906	113,696				36,042	495,560
2012	87,504	291,956	19,099	15,695		115,502		17,000		65,262	612,018
2013	70,975	202,591	24,436	14,033	204	60,838				18,932	392,009
2014	64,137	315,572	12,122	14,223	5,075	38,458				85,496	535,083
2015	9,913	336,071	12,163	17,680	11,105	90,275				4	477,211
2016	5,225	431,290	27,351	18,955	24,381	158,609	\$ 175,051	\$ 233,982		50,107	1,124,951
2017	6,650	529,884	26,575	25,890	15,828	138,238	267,986			32,005	1,043,056

Source: School District's Records

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

Closter Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 37,719,700	\$ 2,098,226,600	4,960,600	\$ 208,793,300	\$ 18,309,800	\$ 1,005,700	\$ 2,369,015,700	\$ 5,610,344	\$ 2,374,626,044	\$ 2,284,098,351	\$ 0.406
2009	25,624,300	1,780,304,800	5,503,300	228,504,900	21,689,700	959,600	2,062,586,600	6,411,588	2,068,998,188	2,068,998,188	0.491
2010	23,558,800	1,786,602,200	5,503,300	224,680,900	15,782,200	959,600	2,057,087,000	6,112,619	2,063,199,619	2,225,664,998	0.506
2011	23,262,400	1,791,836,000	5,503,300	223,086,500	15,045,700	959,600	2,059,693,500	5,669,360	2,065,362,860	2,161,138,793	0.514
2012	24,006,400	1,784,300,900	5,503,300	220,571,000	15,045,700	959,600	2,050,386,900	5,642,577	2,056,029,477	2,094,167,079	0.522
2013	20,163,200	1,796,514,400	5,503,300	218,075,800	15,045,700	959,600	2,056,262,000	100,000	2,056,362,000	2,055,360,558	0.520
2014	21,831,400	1,799,979,800	4,572,100	219,295,200	19,545,700	959,600	2,066,183,800	100,000	2,066,283,800	2,030,585,074	0.520
2015	20,358,100	1,805,323,200	4,572,100	216,624,800	18,964,000	959,600	2,066,801,800	100,000	2,066,901,800	2,099,516,054	0.539
2016	19,884,100	1,816,990,700	4,642,700	216,412,100	18,964,000	959,600	2,077,853,200	100,000	2,077,953,200	2,129,915,670	0.553
2017	19,611,500	1,825,939,100	4,638,400	215,541,300	19,914,000	959,600	2,086,603,900	100,000	2,086,703,900	2,140,987,596	0.565

Demarest Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 21,534,400	\$ 1,113,563,000		\$ 37,029,400		\$ 1,350,000	\$ 1,173,476,800	\$ 637,147	\$ 1,174,113,947	\$ 1,420,610,278	\$ 0.513
2009	15,953,300	1,141,824,700		37,029,400		1,350,000	1,196,157,400	852,876	1,197,010,276	1,459,346,350	0.545
2010	24,674,000	1,155,919,300		36,920,200		1,350,000	1,218,863,500	761,402	1,219,624,902	1,475,586,410	0.561
2011	19,407,900	1,175,319,700		36,920,200		1,350,000	1,232,997,800	589,741	1,233,587,541	1,411,968,299	0.572
2012	18,514,400	1,183,373,100		36,920,200		1,350,000	1,240,157,700	632,812	1,240,790,512	1,396,024,774	0.555
2013	15,219,900	1,199,148,900		36,920,200		1,350,000	1,252,639,000	91,530	1,252,730,530	1,387,669,514	0.550
2014	14,578,200	1,213,910,800		36,920,200		1,350,000	1,266,759,200	88,910	1,266,848,110	1,425,536,144	0.551
2015	12,778,100	1,225,059,400		36,920,200		1,350,000	1,276,107,700	85,020	1,276,192,720	1,501,723,835	0.567
2016	12,763,100	1,240,829,500		36,920,200		1,350,000	1,291,862,800	85,020	1,291,947,820	1,516,882,756	0.575
2017	10,281,800	1,272,223,900		36,920,200		1,350,000	1,320,775,900	83,130	1,320,859,030	1,589,584,628	0.572

^a Tax rates are per \$100

Source: County Abstract of Ratables

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

Harrington Park Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 20,183,000	\$ 1,029,990,700		\$ 37,155,400			\$ 1,087,329,100	\$ 970,697	\$ 1,088,299,797	\$ 1,125,158,811	\$ 0.339
2009	16,477,300	1,035,505,100		37,155,400			1,089,137,800	1,107,483	1,090,245,283	1,164,157,606	0.397
2010	16,047,300	1,034,946,900		37,240,800			1,088,235,000	1,223,350	1,089,458,350	1,113,572,454	0.427
2011	15,178,500	1,025,271,300		38,817,600			1,079,267,400	877,805	1,080,145,205	1,036,552,493	0.449
2012	14,736,500	1,015,222,100		32,442,300			1,062,400,900	820,664	1,063,221,564	983,913,449	0.458
2013	12,498,400	856,365,100		28,418,700			897,282,200		897,282,200	918,267,901	0.546
2014	12,498,400	855,446,400		28,221,900			896,166,700		896,166,700	940,449,312	0.576
2015	12,498,400	854,583,200		28,151,900			895,233,500		895,233,500	957,430,915	0.587
2016	12,498,400	856,178,500		27,192,100			895,869,000		895,869,000	977,108,511	0.591
2017	12,498,400	856,483,100		27,192,100			896,173,600		896,173,600	995,996,199	0.610

Haworth Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 16,021,200	\$ 669,141,100		\$ 78,365,500			\$ 763,527,800	\$ 261,858	\$ 763,789,658	\$ 985,266,258	\$ 0.528
2009	14,816,600	677,484,000		78,483,600			770,784,200	323,307	771,107,507	998,534,689	0.502
2010	14,785,400	681,880,900		98,938,300			795,604,600	810,227	796,414,827	1,054,551,126	0.518
2011	14,497,100	683,091,200		98,935,300			796,523,600	534,748	797,058,348	1,047,745,035	0.573
2012	14,802,000	683,084,200		97,551,200			795,437,400	507,416	795,944,816	1,036,587,284	0.617
2013	15,354,600	681,765,000		97,638,300			794,757,900	577,488	795,335,388	988,226,052	0.664
2014	15,027,000	683,331,400		94,794,900			793,153,300	571,705	793,725,005	927,314,313	0.691
2015	13,886,600	684,502,500		92,027,800			790,416,900	572,378	790,989,278	947,007,450	0.715
2016	12,288,800	688,316,600		91,150,400			791,755,800	581,033	792,336,833	938,535,971	0.721
2017	12,100,500	691,773,000		91,150,400			795,023,900	613,996	795,637,896	918,832,229	0.693

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Northvale Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 15,525,157	\$ 698,971,683		\$ 76,040,600	\$ 208,074,700		\$ 998,612,140	\$ 1,187,908	\$ 999,800,048	\$ 1,025,770,271	\$ 0.402
2009	13,857,186	702,140,418		76,958,900	202,138,500		995,095,004	1,412,505	996,507,509	1,066,218,181	0.425
2010	14,271,786	708,040,500		77,577,000	203,705,700		1,003,594,986	1,505,596	1,005,100,582	1,066,218,181	0.454
2011	10,940,800	575,722,200		75,443,800	187,824,400		849,931,200	1,104,701	851,035,901	940,665,793	0.582
2012	10,447,800	577,248,700		76,057,200	188,365,500		852,119,200	908,803	853,028,003	974,575,740	0.594
2013	10,277,900	576,719,800		77,344,700	187,827,700		852,170,100		852,170,100	929,610,243	0.600
2014	10,277,900	575,935,300		77,344,700	187,827,700		851,385,600	908,803	852,294,403	923,036,029	0.634
2015	10,049,700	576,016,200		81,420,700	186,088,200		853,574,800	908,803	854,483,603	913,012,611	0.639
2016	10,641,100	576,988,300		81,392,200	185,749,300		854,770,900	908,803	855,679,703	947,649,798	0.636
2017	9,122,000	579,726,300		81,214,600	185,541,400		855,604,300	908,803	856,513,103	937,826,702	0.657

Norwood Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2008	\$ 12,893,600	\$ 1,273,609,500	44,300	\$ 78,306,000	\$ 102,148,800	\$ 17,510,200	\$ 1,484,512,400	\$ 1,477,760	\$ 1,485,990,160	\$ 1,520,178,366	\$ 0.475
2009	11,621,100	1,274,524,800	44,300	74,496,700	102,148,800	17,510,200	1,480,345,900	1,777,913	1,482,123,813	1,583,947,764	0.489
2010	10,724,900	1,280,449,400	44,300	72,587,800	100,927,500	17,510,200	1,482,244,100	1,664,055	1,483,908,155	1,507,082,584	
2011	6,542,400	987,650,800	44,300	70,677,800	98,608,900	17,529,800	1,181,054,000	1,288,727	1,182,342,727	1,281,719,006	0.585
2012	7,705,900	986,809,800	44,300	70,643,900	97,495,300	16,500,000	1,179,199,200	1,103,992	1,180,303,192	1,327,086,242	0.568
2013	7,230,100	988,084,400	44,300	70,643,900	97,495,300	16,500,000	1,179,998,000		1,179,998,000	1,273,704,913	0.572
2014	7,059,100	987,504,100	44,300	70,643,900	97,495,300	16,500,000	1,179,246,700		1,179,246,700	1,225,344,833	0.556
2015	6,850,100	988,459,100	44,300	71,289,200	97,395,300	16,500,000	1,180,538,000		1,180,538,000	1,240,810,250	0.567
2016	11,878,400	990,623,100	44,300	69,189,200	97,173,900	16,500,000	1,185,408,900		1,185,408,900	1,291,038,163	0.604
2017	8,763,400	996,442,100	44,300	65,125,900	97,167,600	16,500,000	1,184,043,300		1,184,043,300	1,298,979,351	0.611

^a Tax rates are per \$100

Source: County Abstract of Ratables

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

Fiscal Year Ended June 30,	Old Tappan Borough							Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment						
2008	\$ 34,314,800	\$ 1,186,252,900	390,300	\$ 61,889,900		\$ 331,800	\$ 1,283,179,700	\$ 1,013,376	\$ 1,284,193,076	\$ 1,932,044,022	\$ 0.551	
2009	35,466,800	1,197,274,300	318,000	60,361,700		331,800	1,293,752,600	1,247,192	1,294,999,792	1,970,249,241	0.583	
2010	33,777,900	1,207,995,400	318,000	61,568,200		331,800	1,303,991,300	1,290,151	1,305,281,451	1,914,086,815	0.595	
2011	48,784,000	1,595,217,300	361,400	85,162,000		698,100	1,730,222,800	1,468,244	1,731,691,044	1,793,532,441	0.467	
2012	47,906,700	1,597,442,700	373,800	81,586,500		698,100	1,728,007,800	1,361,524	1,729,369,324	1,776,965,605	0.501	
2013	47,525,500	1,600,828,900	373,800	81,308,800		698,100	1,730,735,100	1,299,066	1,732,034,166	1,783,242,734	0.528	
2014	43,661,000	1,594,422,600	373,800	80,435,200		698,100	1,719,590,700	1,156,788	1,720,747,488	1,708,954,754	0.557	
2015	43,312,500	1,599,653,900	373,800	80,399,200		698,100	1,724,437,500	1,190,284	1,725,627,784	1,733,909,301	0.570	
2016	40,450,900	1,606,134,700	373,800	80,545,500		2,817,100	1,730,322,000	1,149,128	1,731,471,128	1,721,634,054	0.570	
2017	39,118,600	1,609,983,000	373,800	80,256,200		2,817,100	1,732,548,700	1,117,527	1,733,666,227	1,765,955,122	0.589	

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Closter Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.406	0.397	0.662	0.178	1.643
2009	0.491	0.478	0.780	0.222	1.971
2010	0.506	0.495	0.800	0.212	2.013
2011	0.514	0.503	0.811	0.218	2.046
2012	0.522	0.517	0.821	0.224	2.084
2013	0.520	0.521	0.834	0.227	2.102
2014	0.520	0.535	0.844	0.230	2.129
2015	0.539	0.547	0.860	0.244	2.190
2016	0.553	0.559	0.875	0.252	2.239
2017	0.565	0.569	0.890	0.258	2.282

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Demarest Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.513	0.425	0.939	0.225	2.102
2009	0.545	0.444	0.952	0.235	2.176
2010	0.561	0.461	0.960	0.238	2.220
2011	0.572	0.478	0.978	0.238	2.266
2012	0.555	0.511	0.989	0.240	2.295
2013	0.550	0.543	1.000	0.255	2.348
2014	0.551	0.551	0.995	0.263	2.360
2015	0.567	0.562	1.000	0.283	2.412
2016	0.575	0.565	1.016	0.289	2.445
2017	0.572	0.566	1.044	0.302	2.484

Source: Municipal Tax Collector

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Harrington Park Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.339	0.377	0.863	0.192	1.771
2009	0.397	0.403	0.895	0.206	1.901
2010	0.427	0.420	0.930	0.201	1.978
2011	0.449	0.437	0.937	0.198	2.021
2012	0.458	0.453	0.969	0.201	2.081
2013	0.546	0.544	1.172	0.233	2.495
2014	0.576	0.554	1.218	0.245	2.593
2015	0.587	0.555	1.255	0.257	2.654
2016	0.591	0.568	1.295	0.268	2.722
2017	0.610	0.582	1.330	0.280	2.802

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Haworth Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.528	0.681	0.940	0.239	2.388
2009	0.502	0.681	0.962	0.249	2.394
2010	0.518	0.687	0.981	0.261	2.447
2011	0.573	0.692	1.013	0.274	2.552
2012	0.617	0.703	1.032	0.288	2.640
2013	0.664	0.697	1.052	0.286	2.699
2014	0.691	0.714	1.074	0.273	2.752
2015	0.715	0.729	1.063	0.288	2.795
2016	0.721	0.756	1.149	0.284	2.910
2017	0.693	0.772	1.128	0.290	2.883

Source: Municipal Tax Collector

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Northvale Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.402	0.460	0.748	0.191	1.801
2009	0.425	0.491	0.781	0.205	1.902
2010	0.454	0.513	0.802	0.201	1.970
2011	0.582	0.665	0.968	0.229	2.444
2012	0.594	0.662	0.982	0.251	2.489
2013	0.600	0.663	1.001	0.251	2.515
2014	0.634	0.663	1.023	0.253	2.573
2015	0.639	0.696	1.041	0.257	2.633
2016	0.636	0.709	1.059	0.272	2.676
2017	0.657	0.722	1.083	0.274	2.736

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Norwood Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.475	0.393	0.529	0.193	1.590
2009	0.489	0.418	0.543	0.205	1.655
2010	1.062	(A) 0.463		0.200	1.725
2011	0.585	0.615	0.709	0.224	2.133
2012	0.568	0.639	0.766	0.245	2.218
2013	0.572	0.650	0.779	0.248	2.249
2014	0.556	0.662	0.794	0.243	2.255
2015	0.567	0.671	0.790	0.253	2.281
2016	0.604	0.682	0.820	0.268	2.374
2017	0.611	0.690	0.855	0.274	2.430

Source: Municipal Tax Collector

(A) Includes local school tax rate

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Old Tappan Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2008	0.551	0.309	0.927	0.280	2.067
2009	0.583	0.319	0.946	0.293	2.141
2010	0.595	0.336	0.952	0.288	2.171
2011	0.467	0.267	0.732	0.216	1.682
2012	0.501	0.277	0.747	0.226	1.751
2013	0.528	0.284	0.765	0.237	1.814
2014	0.557	0.292	0.790	0.232	1.871
2015	0.570	0.305	0.805	0.242	1.922
2016	0.570	0.316	0.822	0.245	1.953
2017	0.589	0.325	0.835	0.256	2.005

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Closter Borough			
	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Closter Marketplace (EBA) LLC	\$ 31,500,000	1.51%		
Closter Grocery	8,645,300	0.41%	\$ 8,141,300	0.34%
Capital Young Property LLC	7,447,600	0.36%		
Heidenberg Closter Assoc.	7,368,000	0.35%	8,143,600	0.34%
Closter Golf	6,999,700	0.34%	7,535,000	0.32%
United Water NJ	5,891,200	0.28%	9,337,500	0.39%
DWL Monmouth	4,553,500	0.22%		
Fred Reuten, Inc.	4,492,400	0.22%	4,500,000	0.19%
BR NJ LLC	4,167,400	0.20%		
Reuten Associates	4,000,000	0.19%	4,000,000	0.19%
Irani-Aspi-Closter Plaza Met.			35,000,000	1.47%
Verizon			5,522,116	0.23%
Weyerhaeuser			5,424,000	0.23%
Closter SHP/Stop & Shop			4,553,500	0.19%
Total	\$ 85,065,100	4.08%	\$ 92,157,016	3.89%

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Demarest Borough			
	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Alpine Country Club	\$ 32,323,800	2.45%		
Lavie Management Company, LLC	4,232,600	0.32%		
Individual Taxpayer #1	4,230,100	0.32%	NOT AVAILABLE	
Individual Taxpayer #2	4,120,000	0.31%		
Individual Taxpayer #3	4,063,000	0.31%		
Individual Taxpayer #4	3,768,400	0.29%		
Individual Taxpayer #5	3,598,200	0.27%		
Individual Taxpayer #6	3,532,000	0.27%		
Individual Taxpayer #7	3,330,600	0.25%		
Individual Taxpayer #8	3,039,900	0.23%		
Total	\$ 66,238,600	5.01%	\$ -	0.00%

Source: Municipal Tax Assessor

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

Harrington Park Borough

Fiscal Year Ended June 30,	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water Resources	\$ 20,784,500	2.32%	NOT AVAILABLE	
Quantmeyer	2,865,700	0.32%		
Rockland Electric	2,681,800	0.30%		
HGK Realty	1,900,000	0.21%		
Individual Taxpayer #1	1,389,800	0.16%		
Individual Taxpayer #2	1,379,900	0.15%		
Individual Taxpayer #3	1,203,000	0.13%		
Individual Taxpayer #4	1,182,300	0.13%		
Individual Taxpayer #5	1,159,900	0.13%		
Individual Taxpayer #6	1,155,200	0.13%		
Total	<u>\$ 35,702,100</u>	<u>3.98%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

Haworth Borough

Fiscal Year Ended June 30,	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 51,789,000	6.51%	NOT AVAILABLE	
Haworth Country Club	10,501,900	1.32%		
White Beeches Golf Club	10,479,100	1.32%		
Haworth Country Club LLC	7,498,100	0.94%		
White Beeches Realty Corp.	5,462,100	0.69%		
Ashley Lane Properties LLC	1,730,700	0.22%		
Individual Taxpayer #1	1,638,500	0.21%		
Individual Taxpayer #2	1,553,800	0.20%		
Individual Taxpayer #3	1,534,600	0.19%		
Individual Taxpayer #4	1,507,500	0.19%		
Total	<u>\$ 93,695,300</u>	<u>11.78%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Northvale Borough			
	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Maxim Enterprises, LLC	\$ 26,729,600	3.12%		
1554 Union Street Assoc.	12,400,000	1.45%		
Northvale Shopping Center Assoc.	9,504,700	1.11%	10,521,600	1.09%
GEA Mechanical Equipment	7,268,700	0.85%		
S & R Costa Realty LP	6,252,400	0.73%	13,826,500	1.43%
Cho Dae Presbyterian Church	6,120,200	0.71%		
Northvale Holding Co. LLC	6,094,000	0.71%	6,875,600	0.71%
Northvale 1997 Assoc.	5,492,300	0.64%		
Klaus Rexroth Incorporated	5,466,900	0.64%		
Northvale Technical Center	5,289,200	0.62%		
Northvale 1197 & 2005 Assoc			11,536,000	1.20%
MEM Company			13,380,200	1.39%
273 Livingston St Assoc			33,889,600	3.52%
Centrico			7,651,300	0.79%
RIO Vista Homes @ Northvale LLC			8,100,840	0.84%
Matthew Realty LLC			6,442,300	0.67%
Northvale Tire Tech			6,469,800	0.67%
Total	\$ 90,618,000	10.58%	\$ 118,693,740	12.31%

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Norwood Borough			
	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Buckingham at Norwood	\$ 20,700,000	1.75%		
Norwood Associates II	16,500,000	1.39%		
Alfred Sanzari	7,559,600	0.64%	NOT AVAILABLE	
Norwood Project, LLC	6,310,900	0.53%		
355 Chestnut Assoc.	5,499,600	0.46%		
Levingal Realty	4,199,900	0.35%		
Norwest LLC	4,093,200	0.35%		
525 Livingston St Assoc	3,832,000	0.32%		
Norwood Self Storage C/O Yelland Proj	3,650,900	0.31%		
Alsar Realty Company, L.P.	3,647,600	0.31%		
Total	\$ 75,993,700	6.42%	\$ -	0.00%

Source: Municipal Tax Assessor

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

Old Tappan Borough

Fiscal Year Ended June 30,	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 26,460,000	1.53%	\$ 19,824,000	1.57%
Prentice Hall	19,000,000	1.10%	13,882,900	1.11%
A&R, A LTD	17,096,800	0.99%	14,000,000	1.10%
Sunrise Old Tappan Assisted Living	10,860,000	0.63%	8,326,000	0.66%
Individual Taxpayer #1	3,924,000	0.23%	4,550,300	0.36%
Individual Taxpayer #2	3,400,000	0.20%	2,626,400	0.21%
Individual Taxpayer #3	3,230,700	0.19%	2,241,000	0.18%
Individual Taxpayer #4	2,889,900	0.17%		
MCH-OT Realty LLC	2,809,800	0.16%		
Rockland Electric			2,809,000	0.22%
Old Tappan Development Inc.			2,522,600	0.20%
Woodland Green Partners, LP			2,416,500	0.19%
Total	<u>\$ 89,671,200</u>	<u>5.17%</u>	<u>\$ 73,198,700</u>	<u>5.80%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 40,163,228	\$ 40,163,228	100.00%	
2009	42,961,668	42,961,668	100.00%	
2010	44,798,023	44,798,023	100.00%	
2011	46,524,374	46,524,374	100.00%	
2012	47,407,281	47,407,281	100.00%	
2013	48,318,962	48,318,962	100.00%	
2014	49,202,754	49,202,754	100.00%	
2015	50,616,351	50,616,351	100.00%	
2016	51,926,950	51,926,950	100.00%	
2017	52,827,642	52,827,642	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>			
2008	\$ 19,771,000		\$ 451,000	\$ 20,222,000	38,844	\$ 521
2009	18,665,000		1,213,298	19,878,298	39,190	507
2010	19,910,000		945,621	20,855,621	37,498	556
2011	18,825,000		673,158	19,498,158	37,838	515
2012	17,495,000		478,685	17,973,685	38,054	472
2013	16,095,000		199,050	16,294,050	38,345	425
2014	14,630,000			14,630,000	38,507	380
2015	13,090,000			13,090,000	38,749	338
2016	11,475,000			11,475,000	38,768	296
2017	21,167,000		316,930	21,483,930	38,768 A	554

A - Estimates

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2008	\$ 19,771,000		\$ 19,771,000	0.22%	\$ 509
2009	18,665,000		18,665,000	0.21%	476
2010	19,910,000		19,910,000	0.22%	531
2011	18,825,000		18,825,000	0.21%	498
2012	17,495,000		17,495,000	0.20%	460
2013	16,095,000		16,095,000	0.18%	420
2014	14,630,000		14,630,000	0.17%	380
2015	13,090,000		13,090,000	0.15%	338
2016	11,475,000	\$ 520	11,474,480	0.13%	296
2017	21,167,000	26,102	21,140,898	0.24%	545

Source: District records

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local School Purposes	\$ 18,233,000	\$ 18,233,000	
Regional School Purposes	23,452,485	23,452,485	
Municipal/County General Obligations	<u>54,384,693</u>	<u>3,372,727</u>	<u>\$ 51,011,966</u>
	<u>\$ 96,070,178</u>	<u>\$ 45,058,212</u>	51,011,966
Bergen County			
County of Bergen (A)			68,319,608
Bergen County Utilities Authority (B)			<u>9,827,762</u>
			<u>78,147,370</u>
 Total Direct and Overlapping Debt			 <u>\$ 129,159,336</u>

Source:

(1) Seven (7) Municipalities 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to the seven (7) municipalities by dividing the municipalities 2016 equalized value by the total 2016 equalized value for Bergen County relating to the seven (7) municipalities.

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 285,390,418	\$ 288,651,232	\$ 308,633,794	\$ 305,740,435	\$ 295,936,990	\$ 286,919,769	\$ 279,854,050	\$ 278,038,974	\$ 280,932,046	\$ 283,847,535
Total Net Debt Applicable to Limit	19,771,000	18,666,083	19,911,083	18,825,000	17,495,000	16,095,000	14,630,000	13,090,000	23,182,485	21,167,485
Legal Debt Margin	\$ 265,619,418	\$ 269,985,149	\$ 288,722,711	\$ 286,915,435	\$ 278,441,990	\$ 270,824,769	\$ 265,224,050	\$ 264,948,974	\$ 257,749,561	\$ 262,680,050
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.93%	6.47%	6.45%	6.16%	5.91%	5.61%	5.23%	4.71%	8.25%	7.46%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis	
	2016 \$ 9,573,943,876
	2015 9,455,926,982
	2014 9,354,882,603
	<u>\$28,384,753,461</u>
	3 Year Average <u>\$ 9,461,584,487</u>
3% of Avg. Equalized Valuation	\$ 283,847,535
Less Net Debt	<u>21,167,485</u>
Remaining Borrowing Power	<u>\$ 262,680,050</u>

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

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

Closter Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	2.4%	68,548	8,621
2009	4.4%	64,571	8,675
2010	4.5%	65,275	8,388
2011	5.4%	68,244	8,453
2012	4.5%	71,380	8,540
2013	4.5%	70,498	8,598
2014	4.5%	73,536	8,635
2015	3.7%	75,849	8,662
2016	3.2%	N/A	8,705
2017	N/A	N/A	8,705 (A)

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

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

Demarest Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	4.7%	68,548	5,104
2009	8.4%	64,571	5,152
2010	8.6%	65,275	4,919
2011	5.4%	68,244	4,968
2012	8.6%	71,380	4,982
2013	5.8%	70,498	5,019
2014	4.1%	73,536	5,027
2015	3.4%	75,849	5,050
2016	2.9%	N/A	5,000
2017	N/A	N/A	5,000 (A)

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

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

Harrington Park Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	3.1%	68,548	4,848
2009	5.6%	64,571	4,870
2010	5.8%	65,275	4,673
2011	8.7%	68,244	4,716
2012	5.8%	71,380	4,738
2013	8.3%	70,498	4,767
2014	4.8%	73,536	4,793
2015	3.7%	75,849	4,823
2016	3.4%	N/A	4,806
2017	N/A	N/A	4,806 (A)

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

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

Haworth Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	4.4%	68,548	3,400
2009	7.9%	64,571	3,422
2010	8.0%	65,275	3,388
2011	7.0%	68,244	3,419
2012	8.0%	71,380	3,423
2013	11.3%	70,498	3,448
2014	4.0%	73,536	3,458
2015	3.3%	75,849	3,470
2016	3.1%	N/A	3,464
2017	N/A	N/A	3,464 (A)

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

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

Northvale Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	2.9%	68,548	4,693
2009	5.2%	64,571	4,807
2010	5.4%	65,275	4,654
2011	4.7%	68,244	4,695
2012	5.4%	71,380	4,720
2013	7.1%	70,498	4,780
2014	4.3%	73,536	4,797
2015	4.2%	75,849	4,859
2016	3.6%	N/A	4,933
2017	N/A	N/A	4,933 (A)

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

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

Norwood Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	4.9%	68,548	6,182
2009	8.8%	64,571	6,210
2010	9.0%	65,275	5,721
2011	6.2%	68,244	5,757
2012	9.0%	71,380	5,788
2013	7.2%	70,498	5,811
2014	5.2%	73,536	5,836
2015	4.0%	75,849	5,869
2016	3.4%	N/A	5,858
2017	N/A	N/A	5,858 (A)

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

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

Old Tappan Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2008	3.6%	68,548	5,996
2009	6.5%	64,571	6,054
2010	6.7%	65,275	5,755
2011	7.2%	68,244	5,830
2012	6.7%	71,380	5,863
2013	6.8%	70,498	5,922
2014	4.1%	73,536	5,961
2015	3.6%	75,849	6,016
2016	3.1%	N/A	6,002
2017	N/A	N/A	6,002 (A)

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>
Instruction										
Regular	196	193	189	186	186	185	185	185	190.0	190.0
Special Education	26	26	27	26	27	26	26	26	31.0	28.0
Support Services:										
Student & Instruction-Related Services	23	23	23	22	22	22	22	22	22.0	22.0
School Administration Services	12	12	12	12	12	12	12	12	12.0	9.0
General Administration Services	7	6	6	5	5	5	5	5	5.4	4.0
Central Services/Administrative	21	21	21	21	21	21	21	21		22.0
Plant Operations and Maintenance	32	30	30	29	29	29	29	29	29.0	31.0
Pupil Transportation	2	2	2	2	2	2	2	2	2.0	2.0
Child Care	1	1	1	1	1	1	1	1		2.0
Regional Special Education	64	64	64	64	64	64	64	64		63.0
Regional Transportation	2	2	2	2	2	2	2	2	21.0	2.0
Total	<u>386</u>	<u>380</u>	<u>377</u>	<u>370</u>	<u>371</u>	<u>369</u>	<u>369</u>	<u>369</u>	<u>312.4</u>	<u>375.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
2008	2,597	\$ 47,780,351	\$ 18,398	-0.73%	222	1:11.3		2,571	2,469	5.76%	96.03%
2009	2,659	48,469,264	18,228	-0.92%	220	1:12.1		2,554	2,455	-0.66%	96.12%
2010	2,591	49,990,030	19,294	5.84%	220	1:11.8		2,553	2,455	-0.04%	96.16%
2011	2,535	50,459,784	19,905	3.17%	220	1:11.4		2,559	2,462	0.24%	96.21%
2012	2,684	51,716,920	19,269	-3.20%	221	1:12.1		2,483	2,391	-2.97%	96.29%
2013	2,529	53,839,775	21,289	10.49%	264	9.6		2,481	2,393	-0.08%	96.45%
2014	2,586	56,153,954	21,715	2.00%	282	9.2		2,575	2,493	3.79%	96.82%
2015	2,291	56,075,135	24,476	12.72%	282	8.1		2,334	2,242	-9.36%	96.06%
2016	2,504	57,782,447	23,076	-5.72%	221	10.4		2,285	2,204	-2.10%	96.43%
2017	2,462	60,559,667	24,598	6.59%	218	11.3		2,448	2,347	7.13%	95.87%

Sources: District records

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

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

	<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>
<u>District Building</u>										
<u>Northern Valley Regional High School District</u>										
Demarest High School (1950) (2004)										
Square Feet	164,000	164,000	164,000	164,000	164,000	164,000	164,000	16,400	16,400	16,400
Capacity (students)	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234
Enrollment	1,222	1,220	1,212	1,158	1,137	1,136	1,070	1,032	1,046	1,018
<u>Northern Valley Regional High School District</u>										
Old Tappan High School (1950) (2004)										
Square Feet	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800
Capacity (students)	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349
Enrollment	1,334	1,333	1,346	1,377	1,346	1,317	1,293	1,259	1,251	1,233
Central Administration (1981)										
Square Feet	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500

Number of Schools at June 30, 2016

Elementary = 0

Middle School = 0

Senior High School = 2

Source: District Facilities Office

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

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

	<u>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>
<u>School Facilities</u>										
Demarest High School	\$ 257,164	\$ 246,109	\$ 212,317	\$ 189,521	\$ 189,426	\$ 217,935	\$ 240,326	\$ 256,987	\$ 236,628	\$ 239,918
Old Tappan High School	255,196	266,818	230,183	201,350	171,216	201,104	211,866	273,611	244,544	240,646
John J. Haworth Administration Building	<u>30,116</u>	<u>9,210</u>	<u>12,299</u>	<u>15,755</u>	<u>34,009</u>	<u>10,000</u>	<u>5,767</u>	<u>3,749</u>	<u>6,015</u>	<u>6,016</u>
Grand Total	<u>\$ 542,476</u>	<u>\$ 522,137</u>	<u>\$ 454,799</u>	<u>\$ 406,626</u>	<u>\$ 394,651</u>	<u>\$ 429,039</u>	<u>\$ 457,959</u>	<u>\$ 534,347</u>	<u>\$ 487,187</u>	<u>\$ 486,580</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group:		
Multi Peril Package Policy		
Commercial General Liability	\$ 11,000,000	
Employee Dishonesty	1,000,000	
Business Automobile Liability	11,000,000	\$ 1,000
School Board Legal Liability	11,000,000	15,000
Workers Compensation	2,000,000	
NJ Schools Ins. Group		
Property- Blanket Building and Contents (Insured Value) - Includes Energy Systems	104,075,280	5,000
Firemen's Fund:		
Excess Umbrella Liability	50,000,000	
Bob McCloskey Insurance (BMI):		
Student Accident	5,000,000	
Surety Bonds:		
Board Secretary's Bond	85,000	
Lloyds Syndicates		
Environment Pollution Liability Policy	1,000,000	10,000
Ace American Insurance Company		
International Liability Policy	1,000,000	

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Northern Valley Regional High School District's basic financial statements and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northern Valley Regional High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as item 2017-001.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Northern Valley Regional High School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 30, 2017.

Northern Valley Regional High School District's Responses to Findings

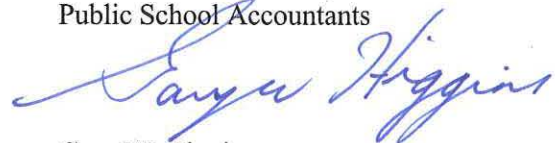
The Northern Valley Regional High School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Northern Valley Regional High School District's responses were not subjected to the auditing procedures applied in the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

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 30, 2017



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Northern Valley Regional High School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Northern Valley Regional High School District's major federal and state programs for the fiscal year ended June 30, 2017. The Northern Valley Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Northern Valley Regional High School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2017-003. Our opinion on each major federal and state program is not modified with respect to this matters.

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

Report on Internal Control Over Compliance

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

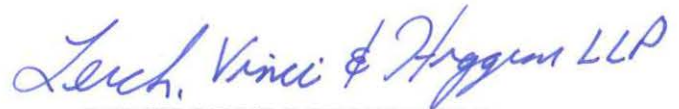
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

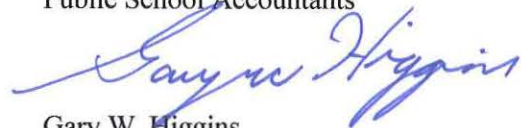
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 30, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 30, 2017

NORTHERN 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 Title	Federal CFDA Number	Federal FAIN Number	Grant or Project Number	Grant Period	Award Amount	Balance July 1, 2016	Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2017			Memo GAAP Receivable
											Accounts Receivable	Unearned Revenue	Due to Grantor	
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund														
N.C.L.B. Title III	84.365	S365A160030	NCLB-3710-17	7/1/16-6/30/17	\$ 45,516			\$ 44,214	\$ 45,164		\$ (1,302)	\$ 352		\$ (950)
N.C.L.B. Title III Immigrant	84.365	S365A160030	NCLB-3710-17	7/1/16-6/30/17	11,516			11,516	10,963			553		
Total English Language Acquisition Cluster (Title III)									56,127					
Career Pathways Grant	84.048	V048A150030	N/A	4/1/16-2/28/17	98,504	\$ (556)		91,584	91,028					
Career Pathways Grant	84.048	V048A160030	N/A	3/1/17-2/28/18	99,998				2,170		(99,998)	97,828		(2,170)
Total Career And Technical Education Cluster									93,198					
N.C.L.B. Title I	84.010	S010A160030	NCLB-3710-17	7/1/16-6/30/17	141,103			141,103	141,103					
N.C.L.B. Title II-A	84.367A	S367A160029	NCLB-3710-17	7/1/16-6/30/17	118,223			2,219	118,055		(116,004)	168		(115,836)
N.C.L.B. Title II-A	84.367A	S367A150029	NCLB-3710-16	7/1/15-6/30/16	128,675	(6,202)		6,202						
I.D.E.A. Part B, Basic	84.027	H027A160100	IDEA-3710-17	7/1/16-6/30/17	494,899			494,899	478,924		(13,029)	29,004		
I.D.E.A. Part B, Basic	84.027	H027A150100	IDEA-3710-16	7/1/15-6/30/16	519,181	(1,960)		1,960						
I.D.E.A. Part B, Basic	84.027		IDEA-3710-13	9/1/12-8/31/13	490,874	2,884						2,884		
Raxe to the Top	84.395	B413A120008	N/A	9/1/11-11/30/15	9,098	(1,668)	\$ -	1,668	-	\$ -	-	-	-	-
Total U.S. Department of Education						(7,502)	-	795,365	887,407	-	(230,333)	130,789	-	(118,956)
Total Federal Financial Awards						\$ (7,502)	\$ -	\$ 795,365	\$ 887,407	\$ -	\$ (230,333)	\$ 130,789	\$ -	\$ (118,956)

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grant/Program Title	Grant or State Payout Number	Grant Exired	Award Amount	Balance, July 1, 2016		Cash Received	Budgetary Expenditures	Revised of Prior Years' Balances	Balance, June 30, 2017		GAAP Rescindable	Cumulative Total Expenditures
				Due to Grantor	(Accounts Receivable)				Unearned Revenue	Due to Grantor		
State Department of Education												
<i>General Fund, Regional Cooperative, Regional Special Ed, Teens and Tots, & Shared Svc Funds</i>												
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 1,037,462	\$	\$	975,352	\$ 1,037,462	\$	(62,110)	\$		\$ 1,037,462
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	1,048,065			76,779	42,643		(2,553)			42,643
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	42,645	(76,779)		40,090	42,643					42,643
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	37,869	(2,774)		2,774	22,480		(1,346)			22,480
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	23,230			21,134	23,230		(1,390)			23,230
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	23,230			1,702	23,230					23,230
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	23,230	(1,702)		1,702	23,230					23,230
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	23,230			1,702	23,230					23,230
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	23,230	(1,702)		1,702	23,230					23,230
Total State Aid Public Cluster			1,149,045			1,149,045	1,149,045					1,149,045
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	93,037			87,467	93,037		(5,570)			93,037
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	81,334	(5,958)		5,958	16,760		(16,760)			16,760
Additional Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	14,578			14,578	14,578					14,578
Additional Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	14,578	(14,578)								
Total Transportation Aid			109,797			109,797	109,797					109,797
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	782,292			646,804	782,292		(782,292)			782,292
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	646,804	(646,804)								
Reimbursed TPAF Pension Contribution	17-495-034-5094-002	7/1/16-6/30/17	3,247,386			3,247,386	3,247,386					3,247,386
Normal	17-495-034-5094-004	7/1/16-6/30/17	117,660			117,660	117,660					117,660
NCGI	17-495-034-5094-004	7/1/16-6/30/17	4,294			4,294	4,294					4,294
Long-Term Disability	17-495-034-5094-004	7/1/16-6/30/17	2,803,849			2,803,849	2,803,849					2,803,849
Post Retirement	17-495-034-5094-001	7/1/16-6/30/17	2,338,932			2,223,745	2,338,932		(115,187)			2,338,932
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	2,213,677			112,308						
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16		(112,308)								
Total General Fund, Regional Cooperative, Regional Special Ed, Teens and Tots & Shared Svc Funds			10,533,255	(862,805)		10,427,461	10,533,255		(988,599)		(131,947)	10,533,255
Special Revenue Fund												
<i>New Jersey Nonpublic Aid</i>												
Auxiliary Services:												
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	9,854			9,854	4,031	\$ 4,118		\$ 5,823		4,031
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	6,768									
Handicapped Services:												
Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	15,310			15,310	14,050					14,050
Examination & Classification	16-100-034-5120-066	7/1/15-6/30/16	20,115			8,179	8,179					8,179
Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	19,304			19,304	10,515					10,515
Supplemental Instruction	16-100-034-5120-066	7/1/15-6/30/16	9,133			2,896	2,896					2,896
Total Nonpublic Handicapped Aid (Chapter 93) Cluster			27,294			27,294	28,808					28,808
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	28,878			28,878	53,370					53,370
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	53,370			13,026	13,026					13,026
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	13,026			29,650	29,650					29,650
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	29,650									
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16										
Security Aid	17-100-034-5120-509	7/1/16-6/30/17										
Security Aid	16-100-034-5120-509	7/1/15-6/30/16										
Total Special Revenue Fund			151,996			169,392	153,348					153,348

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title <i>Capital Projects Fund</i>	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2016			Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			Memo	
				Def Rev. (Accounts Receivable)	Due to Grantor	Cash Received			(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
NJ School Development Authority HVAC and Roof Replacement	SP3710-050-14-G1FH		\$ 484,902	\$ (109,599)	-	\$ 108,599	-	-	\$ (376,303)	\$ 375,303	-	\$ (376,303)	-
Total Capital Projects Fund				(109,599)	-	108,599	-	-	(376,303)	375,303	-	(376,303)	-
Debt Service Fund Debt Service Aid	17-495-034-5120-075	7/1/16-6/30/17	92,135	-	-	92,135	\$ 92,135	-	-	-	-	-	\$ 92,135
State Financial Assistance Subject to Single Audit Determination				\$ (972,404)	\$ 15,196	10,797,587	10,798,738	\$ 15,196	\$ (1,364,902)	\$ 375,303	\$ 16,044	\$ (508,250)	\$ 10,798,738
Less On-Behalf TPAF Pension and Annuity Aid Not Subject to Single Audit Determination													
Normal Pension Costs						3,247,386	3,247,386						
Non-Contributory Insurance						117,660	117,660						
Long-Term Disability						4,294	4,294						
Post Retirement						2,803,849	2,803,849						
						6,173,189	6,173,189						
Total for State Financial Assistance Subject to Major Program Determination						\$ 4,624,598	\$ 4,625,549						

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$120,933 for the general fund and an increase of \$6,320 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,584,457	\$ 8,584,457
Special Revenue Fund	\$ 892,991	153,798	1,046,789
Debt Service Fund		92,135	92,135
Regional Coop. Prgm. Fund		162,641	162,641
Regional Special Ed. Fund		1,621,515	1,621,515
Teens and Tots Fund		43,393	43,393
Shared Service Fund	-	20,316	20,316
	<hr/>	<hr/>	<hr/>
Total Awards Financial Assistance	\$ 892,991	\$ 10,678,255	\$ 11,571,246

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$2,338,932 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$3,365,046, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,803,849 and TPAF Long-Term Disability Insurance in the amount of \$4,294 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

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

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee? X yes no

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2017-001

With respect to year end encumbrances and accounts payable:

- Our audit of year end open purchase orders in the Capital Projects Fund, Little Tots Enterprise Fund and Regional Special Education Enterprise Fund revealed certain encumbrances should have been classified as accounts payable.
- Our review of the District's official minutes revealed an unrecorded encumbrance that was not reflected in the District's accounting records in the Capital Projects Fund at year end related to a Board approved change order.

Criteria or specific requirement:

Internal controls over year end closing procedures of open orders.

Condition

Certain encumbrances were determined to not have been classified properly. In addition, a certain encumbrance was not recorded at year end.

Context

- Nine (9) purchase orders classified as reserve for encumbrances should have been classified as accounts payable totaling \$403,771. Of this amount \$95,110 relates to Capital Projects, \$231,435 relates to Little Tots Enterprise Fund and \$77,226 relates to Regional Special Education Enterprise Fund.
- Encumbrance for Athletic Track Resurfacing in the amount of \$202,563 was not encumbered in the Capital Project Fund relating to a Board approved change order.

Effect

Financial statements do not properly reflect liabilities, expenditures and fund balance at year end. Audit adjustments were made to properly reflect outstanding liabilities at June 30, 2017.

Cause

Unknown.

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2017-002

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

1. The District does not have formal Board policies pertaining to the operations of each enterprise fund.
2. User charges and fees charged to customers of the various enterprise funds are not presented to the Board of Trustees for approval.
3. Certain general ledger account balances were not in agreement with subsidiary ledgers including accounts receivable, unearned revenue and deposits payable.
4. Certain enterprise funds are utilized for similar types of services which could be consolidated for financial reporting purposes.
5. The SAT Classes Enterprise Fund is dormant and the operation of the Shared Service Enterprise Fund was discontinued; however, each fund's net position has not been liquidated.
6. Certain inter-enterprise fund financial transactions were not reconciled on a periodic basis.

Criteria or specific requirement:

State Department of Education's GAAP Technical.

Condition

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

Context

See Finding 2017-002

Effect

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

Cause

Unknown.

Recommendation

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

View of Responsible Officials and Planned Corrective Action

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

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2017-003

Our audit of T.P.A.F. FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable wages.

State Program Information

Reimbursed TPAF Social Security Contributions 17-495-034-5094-003

Criteria or Specific Requirement

State Grant Compliance Supplement

Condition

Salaries used to determine State reimbursements for FICA paid for T.P.A.F. members included certain non-pensionable wages.

Questioned Costs

Unknown.

Context

Imputed income, a non-pensionable wages, was included in the salaries used to determine the amount to be reimbursed by the State.

Effect

Amounts reimbursed by State did not reflect actual FICA paid on T.P.A.F. members' pensionable wages.

Cause

See context.

Recommendation

The District review with its financial accounting software vendor the T.P.A.F. FICA calculation to ensure T.P.A.F. FICA reimbursements are based only on pensionable wages subject to FICA.

View of Responsible Officials and Planned Corrective Action

Management agrees with this finding and had indicated that procedures will be implemented to take corrective action.

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

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2016-001

With respect to year end encumbrances and accounts payable:

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

Current Status:

See Finding 2017-001

Finding 2016-002

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

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

Current Status:

See Finding 2017-002

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

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2016-003

Our audit of purchases revealed the following:

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

Current Status:

Corrective action has been taken.