

**SCHOOL DISTRICT
OF
PASCACK VALLEY REGIONAL**

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

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

**Comprehensive Annual
Financial Report**

of the

Pascack Valley Regional High School District

Montvale, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

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

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INTRODUCTORY SECTION

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
28 West Grand Avenue
Montvale, New Jersey 07645-2028

Mr. P. Erik Gundersen
Superintendent of Schools

Ms. Pamela Baxley
Business Administrator/Board Secretary

November 13, 2017

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

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Pascack Valley Regional High School District for the fiscal year ended June 30, 2017. This CAFR includes the District's basic financial statements prepared in accordance with pronouncements of the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all materials respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis and the Basic Financial Statements and Notes, providing an overview of the School District's financial position and operating results and supplementary schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the independent auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

HILLSDALE

MONTVALE

RIVERVALE

WOODCLIFF LAKE

Schools and Communities – Partners in Education

1) REPORTING ENTITY AND ITS SERVICES

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

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

The Pascack Valley Regional High School District provides a full range of educational services appropriate for grade levels 9 through 12. These include regular, as well as, special education for handicapped youngsters. As of June 30, 2017 Pascack Hills High School reported a student enrollment of 824 and Pascack Valley High School had 1,210 students on roll. The District completed the 2016-2017 fiscal year with a total enrollment of 2034 students, which represents a decrease of 1.6% over the previous year's enrollment.

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

School districts in New Jersey are legally classified as Type I or Type II. Pascack Valley Regional High School District, a Type II district, is one of 68 regional school districts in the state with a nine member, elected board of education. Board members are elected at the annual school election for terms of three years. Meetings of the Pascack Valley Regional Board of Education are held on the first and third Monday of each month. During its meetings, the Board determines District goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 8:00 P.M.

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

PASCACK HILLS HIGH SCHOOL

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

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

The program of studies at Pascack Hills High School offers a challenging Honors and Advanced Placement Program, a selection of dual enrollment courses, specialized electives, and unique programs in humanities, molecular genetics, and video production. The performance of our students has been exceptional. Academic honors awarded to members of the Class of 2016 include eleven National Merit Commended students and 12 Advanced Placement Scholars, 3 Advanced Placement Scholars with Honors, 3 Advanced Placement Scholars with Distinction.

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

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

Pascack Hills High School participates actively in the Pascack Valley Inter-district Articulation Program, which coordinates the curriculum between the middle schools and the regional high schools. Regular committee meetings are held throughout the school year to ensure curriculum alignment with the sending districts.

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

PASCACK VALLEY HIGH SCHOOL

Pascack Valley High School is a school that focuses on academic excellence and challenges each of its students to meet high expectations. The student/teacher ratio enables the staff to work individually and in clusters with students to maintain high academic standards while meeting student needs. Academic excellence is the foundation of student life. During the 2016-2017 school year we had 5 National Merit Commended Students. In addition, we continue to have an increase in the number of students challenging themselves at the AP level. We continue to have a large number of students taking an AP test while maintaining passing scores exceeding the state average. 34% of the senior class scored at least a 3 or higher in an AP test. This year we had 30 students named AP Scholars, 10 AP Scholars with Honors, and 25 students achieved AP Scholar with Distinction status and 1 student met the National AP Scholar level.

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

The Student Council is an exceptional group involved in the essence of student life at Pascack Valley. Dedicated to student issues and service to the community, it is truly a student government. Members of the executive council meet on a regular basis to be proactive in creating a positive atmosphere within the building along with reaching out to help the community. All students are encouraged to become engaged in student clubs and activities. As in past years, each grade level committed itself to supporting a charitable cause by raising funds and awareness throughout the school year. Getting involved in positive, focused activities enhances student life and their school experiences. Community service to our local community and the community-at-large is a major commitment by groups within the school. Student opportunities for development and growth are explored beyond the classroom in a variety of co-curricular activities and athletic programs. In 2016-2017 Pascack Valley High School received the honor of being recognized as an Apple Distinguished School for its innovation, leadership, and educational excellence. This is the 9th year in a row Pascack Valley has received such distinction. We have also been recognized nationally by being selected to be part of the Digital Promise network, which is an elite national organization that selects the top innovated schools in the country.

The student support services include a Child Study Team and a skilled guidance staff. An Intervention and Referral Services Team specializes in early intervention of at-risk students, and the Student Assistance Coordinator provides services and strategies that focus on prevention and intervention. These carefully coordinated services provide on-going support for students and their families. These personnel are committed to servicing the needs of Pascack Valley students at an exceptional level. This year we expanded our support services by adding the PV Wellness Center. The staff at Pascack Valley High School is pleased to provide a supportive environment that expands student experiences and involvement as they develop toward their potential. The Park@PVR program continues to flourish. The program continues to successfully keep students in district and has become a program that many area schools seek to send their district's special education students.

PARENT/FACULTY ORGANIZATIONS

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

CURRICULUM AND INSTRUCTION

The office of Curriculum, Instruction, and Assessment has many areas of responsibility. This office is organized as follows: a Director, Supervisor of Mathematics, Supervisor of Science and Technology Education, Supervisor of Special Education, Supervisor of Guidance, Supervisor of World Languages, Music and Family and Consumer Sciences, Supervisor of Social Studies and Physical and Health Education, Supervisor of English, Art, and Media Services, and Director of Instructional Technology.

The stated mission of the office of Curriculum, Instruction, and Assessment is to prepare students to be knowledgeable and productive citizens in our society. To make this goal a reality, the Office of Curriculum, Instruction, and Assessment works with the District's energetic, knowledgeable, and professional staff. Furthermore, the District has established innovative ways to articulate and communicate curriculum among the districts of Hillsdale, Montvale, River Vale and Woodcliff Lake so that students receive a quality K-12 education.

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

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

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

During the 2016-17 school year the Pascack Valley Regional High School District devoted one and a half days for professional development. The first professional development day was a highly effective day where teachers at the two high schools were taught various tools in the Google Suite by Certified Google Trainers. The second day involved district-wide training in Brain Based learning from a National Expert. This is in addition to the variety of professional development workshops, study groups, and afterschool training that was offered to teachers. Lastly, during the 2016-2017 school year the Regional Curriculum Office, had another successful year of providing curriculum coordination, professional development, and instructional coaching for the four sending districts. This office launched on July 1, 2012.

The Pascack Valley Regional High School District mission is to prepare students to be knowledgeable and productive citizens of our society.

The Pascack Valley Regional High School District vision is to create a culture of innovation, inquiry, and individuality that promotes achievement and choice by cultivating the skills needed to compete and collaborate as ethical and responsible global citizens. Largely in part to the technology tools provided through our nationally recognized 1:1 laptop program, now entering its 14th year, all participants in our

learning community, students and teachers alike, have the opportunity and resources to achieve that vision.

Technology is woven into the fabric of the Pasco Valley Regional High School District as it is infused and integrated across all curricular areas. Successful integration of technology is made possible through support for creativity and professional growth of our teachers, and the results are a profound impact on the education and future of our students. Outstanding instruction, supported by our 1:1 laptop program, enables our students to take ownership of their education, pursuing all opportunities our district can provide for knowledge, critical thinking, collaboration and exploration.

Complacency promotes mediocrity, while progression promotes excellence. As we have for the past 14 years, Board Members, administration, faculty, staff, students and parents will work together to seek and achieve excellence with our 1:1 laptop program. We will continue to explore and embrace the ever-changing tools needed for achieving our vision and excellence. We will continue to work with our community to provide an outstanding and progressive educational environment for our students. We will continue to seek out new global connections to prepare students for the global economy.

Working toward this vision, the district has set forth the following Technology goals for 2016 through 2019:

1. With the continued support of the Board of Education and District Administration, foster an environment for our district “community of learners” to further the use of Educational Technology.
2. Under the direction of the Curriculum Office, provide appropriate instruction and resources to support the infusion and promotion of Digital Citizenship in support of the district vision.
3. Continue providing an environment where students, teachers and administrators have access to the appropriate educational resources at any time, from anywhere.
4. Explore and maintain opportunities for Shared Technology Services with sending districts, as well as with districts in the Region and State, in an effort to reduce costs and provide better services for all participating districts.

We continue to strive toward improving communications with all stakeholders, especially with the community at large. This year, we have launched a new website with the intention of providing our community a better experience, especially on mobile devices. Our website continues to be the main hub of communication with the community, providing contact information for all faculty and staff, as well as pertinent and up-to-date notices on programs, events and initiatives.

We have fully implemented the “School Messenger Notify System” which allows us to send both broadcast and targeted communications to our stakeholders. This system also allows us to make reverse 911 calls for emergencies, as well as now providing the ability to send text and email messages to targeted sets of parents. Additionally, Administration and faculty continue to use Social Media as yet another way of broadcasting information regarding events, emergencies and the great things happening within our district.

The Parent and Student Access Portals of our Genesis Student Information System are continuously enhanced to view attendance, semester grades, gradebook (assignment level), and scheduling and discipline records. Additionally, through Genesis parents have the ability to securely complete forms online, saving time and paper for all involved. Our Learning Management System, Canvas, collates all instructional materials to a secure online presence for students, parents and teachers. Creating something of a virtual classroom, Canvas is a repository for resources and assignments, complete with a course calendar that students and parents can view in real time giving them a clear understanding of the work

assigned and the respective due dates. Having this all in one system helps all parties with organization as visibility to all graded assignments can be seen in a dashboard view.

SPECIAL SERVICES

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

We believe that all students can learn. We are committed to providing services to students that will ensure personal and academic success and college and/or career readiness.

This is accomplished through a comprehensive continuum of in-district placement options. Classified students can be mainstreamed with supplementary aides and services in general education classes. Also, inclusive education is provided through in-class support from a Special Education Teacher in collaboratively taught classes with approximately 85 such classes offered District wide.

Students also benefit from Secondary Special classes (taught by General Education Content Specialists with no more than 16 classified students per class), Resource Replacement classes (taught by Highly Qualified Special Education Teachers with no more than 12 students per class) and Resource Pull-out Support (Study Skills) classes. The District offers approximately 170 collaborative and special education classes.

In addition to the aforementioned class offerings, PVRHSD has five Special Programs to meet the multiple needs of students with a range of disabilities. There are two programs for behavioral disabilities, which provide therapeutic and behavioral services as well as adapted curricula. Also, the District offers a program to students with mild to moderate intellectual or learning and language disabilities that offers modified curricula, functional life skills development through a Life Skills course and community based learning opportunities, and vocational skill development through a Transition Education course and the District's Internship Program. This year, the district opened a Life Skills program for adult students with disabilities ages 18-21. In addition, an Extended School Year program is provided in July, in accordance with a student's IEP, when an interruption in educational programming would cause the student's performance to revert to a lower level of functioning and recoupment would not be expected in a reasonable length of time.

The Special Services Department is comprised of two Child Study Teams (two Psychologists, two Social Workers, and four Learning Consultants), along with 22 Special Education Teachers, 17 one-to-one and Instructional Assistants, a Speech and Language Therapist, Coordinator of Special Programs, School Psychologist for Special Programs and a full-time Behavior Consultant.

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

Pascack Valley Regional High School District addresses the needs of classified students attending a Non-Public School in Montvale, NJ through a contract with Bergen County Special Services (BCSS). The

District Supervisor of Special Services meets annually with Non-Public School personnel and BCSS to ensure appropriate and seamless provision of services.

The District also sponsors a separate public school program, Park Academy (coordinated by the Region II Office of Special Education), for students grades 4 through 8 with behavioral disabilities.

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

Pascack Valley Regional High School District services has approximately 352 classified students within the District. There are an additional 37 students placed out-of-district in county and private facilities. The District has accepted 32 tuition students and services a total of 60 students in the District's special programs.

2) ECONOMIC CONDITION AND OUTLOOK

The economic recovery from the "Great Recession" has been slow over the last few years for New Jersey. Economists are generally forecasting a slow recovery in the foreseeable future. This has led to a reduction in state revenue with fewer companies and consumers contributing to New Jersey's economy. The economic crisis, and the uncertainty that state legislation could impose greater constraints on public school districts, has had an effect on suburban public school districts recognized for providing innovative and cutting edge programs to their students to place a hold on expanding their academic offerings. Wealthy districts such as the sending districts of Hillsdale, Montvale, River Vale and Woodcliff Lake to the Pascack Valley Regional High School District, which are mostly residential, are concerned that if the state does not provide these districts their fair share of state aid, the schools will be unable to provide the programs that made them high achieving districts and to maintain the condition of the school facilities.

School districts and municipalities are continuing to work with a tax levy cap increase of 2%. The state took measures to alleviate this impact on school budgets by requiring employees to contribute toward health insurance. They must either contribute 1.5% of their salary or a percentage of their health insurance premium, whichever is higher. The District's two largest bargaining units and its non-bargaining unit all have completed the four year phase-in for health insurance premium contributions. As a result, increases to the state run School Employee Health Benefits Plan will not be mediated with percentage increases in staff contributions.

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

3) MAJOR INITIATIVES

Our students continue to score significantly above the state and national average in all standardized measures of achievement. The SAT scores for the District Class of 2017 remain substantially above the state & national averages. The mean SAT scores for PHHS students were 583 (ERW) and 660 (Math). Students attending Pascack Valley HS scored 564 (ERW) and 561 (Math).

The mean ACT scores for Pascack Hills students were 25.4 (English), 24.9 (Math), 25.3 (Reading) and 24.3 (Science). Students attending Pascack Valley HS scored 23.6 (English), 24.0 (Math), 23.6 (Reading) and 22.9 (Science). Of 524 graduates, approximately 97% of the students in the Pascack Valley Regional High School District attend postsecondary schools. The District was honored to announce 53 AP Scholars as well as 13 National Merit Commended students.

Class of 2017
Total Graduates: 524
% 4 year college: 90
% 2 year college: 7
% Other: 3

Source: District Records

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

Several major projects were completed in 2016-2017, including window replacement projects in both schools and the A-Wing HVAC updates at Pascack Hills, which were funded through SDA grants as well as the parking lot at Pascack Valley. The board offices were relocated to leased space to accommodate construction of a new athletic complex at Pascack Hills and the Science Lab HVAC at Pascack Valley is being upgraded.

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

4) INTERNAL ACCOUNTING CONTROLS

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

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

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

5) BUDGETARY CONTROLS

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

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

6) ACCOUNTING SYSTEMS AND REPORTS

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7) CASH MANAGEMENT

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

8) RISK MANAGEMENT

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

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

9) OTHER INFORMATION

Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board to perform the audit. In addition to meeting the requirements set forth in state statutes, the audit

also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific, required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS

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

Respectfully submitted,

P. Erik Gundersen

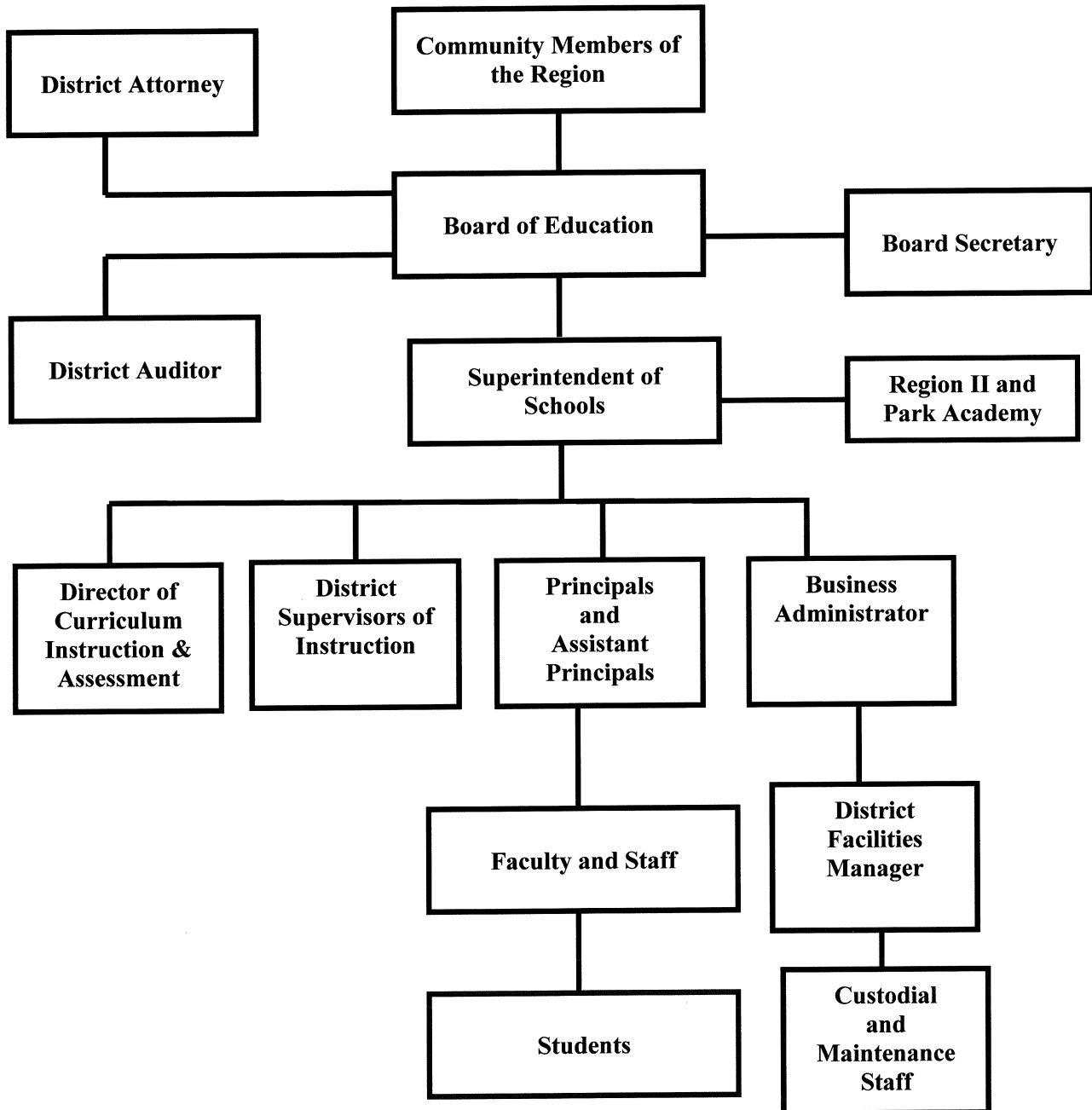
Mr. P. Erik Gundersen
Superintendent

Pamela Baxley

Ms. Pamela Baxley
Business Administrator/Board Secretary

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>	<u>Sending District</u>
Mr. Jeffrey Steinfeld, President	2018	Hillsdale
Ms. Janet Bissinger, Vice President	2018	Montvale
Mr. Joseph Blundo	2018	River Vale
Mr. Brian Hallowell	2017	Montvale
Ms. Tammy Molinelli	2019	Woodcliff Lake
Mr. Kenneth Ralph	2017	Hillsdale
Mr. Arnold Scher	2017	Hillsdale
Mr. James Stankus	2019	Woodcliff Lake
Mr. David Steinberg	2017	Hillsdale

Other Officials

Mr. P. Erik Gundersen, Superintendent

Ms. Pamela Baxley, Business Administrator/Board Secretary

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

Mrs. Deborah Carpino, Treasurer

Rodney T. Hara, Solicitor

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

Consultants and Advisors

Architect

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

Audit Firm

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

and

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Stephen R. Fogarty and Rodney T. Hara
Fogarty and Hara Counselors at Law
21-00 Route 208 South
Fair Lawn, NJ 07410

Official Depository

Capital One
553 Broadway
Westwood, NJ 07675

FINANCIAL SECTION



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

Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Honorable President and Members
of the Board of Education
Pascack Valley Regional High School District
Page 3


The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 13, 2017


NISIVOCCIA LLP



Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

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

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

Financial Highlights

- The District's financial status declined by \$176,816 on a District-wide basis.
- Overall revenue was \$72.92 million.
- Overall expenses were \$73.10 million.
- Actual General Fund revenue was \$1,319,562 higher than expected, primarily due to extraordinary special education aid, nonpublic transportation aid, tuition and other miscellaneous revenues.
- Net position from the District's governmental activities decreased \$107,367.
- Net position from the District's business-type activities decreased \$27,490.

Overview of the Financial Statements

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

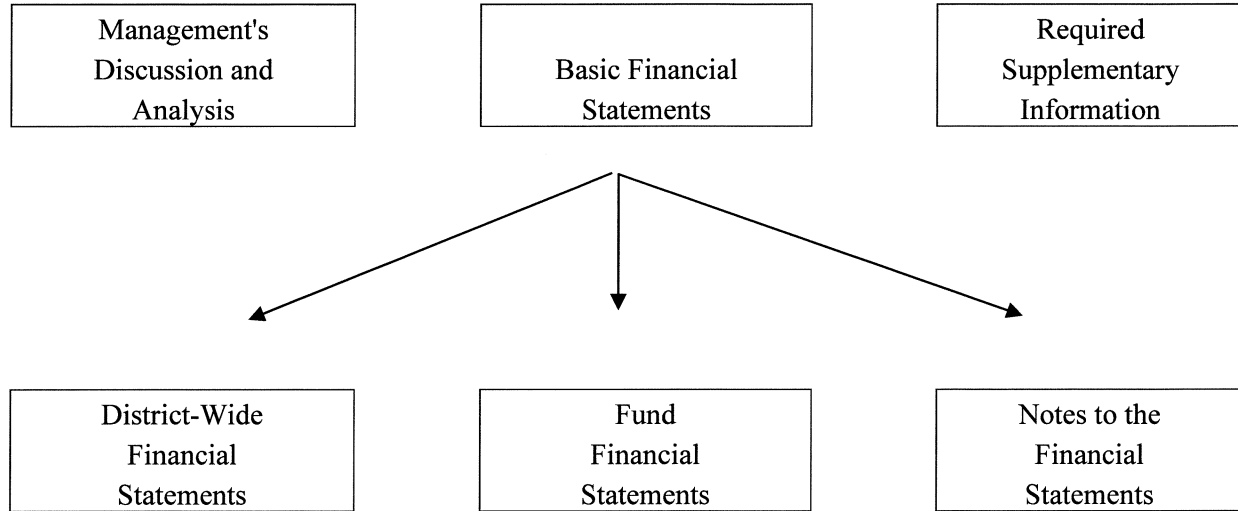
- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year.

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

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

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



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

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

Figure A-2

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

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2017 and 2016. The District's combined net position was \$29,372,587 on June 30, 2017 or .46% less than the year before. Net investment in capital assets decreased by \$1,743,527. Restricted net position increased by \$1,010,536 due to increases in excess surplus of \$390,586, the emergency reserve of \$1,250, capital projects of \$617,950 and maintenance reserve of \$750. Unrestricted net position increased by \$598,134.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
Assets:							
Current and Other Assets	\$ 16,725,344	\$ 13,927,261	\$ 605,205	\$ 554,307	\$ 17,330,549	\$ 14,481,568	19.67%
Capital Assets, Net	47,963,223	50,986,452	87,428	82,105	48,050,651	51,068,557	-5.91%
Total Assets	64,688,567	64,913,713	692,633	636,412	65,381,200	65,550,125	-0.26%
Deferred Outflows of Resources	7,491,590	4,564,899	531,658	263,379	8,023,248	4,828,278	66.17%
Liabilities:							
Long-Term Liabilities	40,907,474	37,697,595	1,620,500	1,218,628	42,527,974	38,916,223	9.28%
Other Liabilities	1,319,754	1,495,399	184,134	214,423	1,503,888	1,709,822	-12.04%
Total Liabilities	42,227,228	39,192,994	1,804,634	1,433,051	44,031,862	40,626,045	8.38%
Deferred Inflows of Resources		225,321		19,593		244,914	-100.00%
Net Position:							
Net Investment in Capital Assets	28,083,149	29,831,999	87,428	82,105	28,170,577	29,914,104	-5.83%
Restricted	11,503,268	10,492,732			11,503,268	10,492,732	9.63%
Unrestricted/(Deficit)	(9,633,487)	(10,264,434)	(667,771)	(634,958)	(10,301,258)	(10,899,392)	5.49%
Total Net Position	\$ 29,952,930	\$ 30,060,297	\$ (580,343)	\$ (552,853)	\$ 29,372,587	\$ 29,507,444	-0.46%

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

Financial Analysis of the District as a Whole

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016/17	2015/16	2016/17	2016/17	2016/17	2015/16	2016/17
Revenue:							
Program Revenue:							
Charges for Services	\$ 966,246	\$ 630,780	\$6,907,092	\$6,607,058	\$ 7,873,338	\$ 7,237,838	8.78%
Grants and Contributions:							
Operating	16,752,380	12,690,486			16,752,380	12,690,486	32.01%
General Revenue:							
Property Taxes	47,884,230	46,318,148			47,884,230	46,318,148	3.38%
State Aid Not Restricted	35,828	31,308			35,828	31,308	14.44%
Other	430,162	254,875	298	315	430,460	255,190	68.68%
Total Revenue	<u>66,068,846</u>	<u>59,925,597</u>	<u>6,907,390</u>	<u>6,607,373</u>	<u>72,976,236</u>	<u>66,532,970</u>	9.68%
Expenses:							
Instruction	36,194,112	31,644,788			36,194,112	31,644,788	14.38%
Pupil and Instruction Services	12,518,982	11,152,882			12,518,982	11,152,882	12.25%
Administrative and Business	5,336,572	5,046,791			5,336,572	5,046,791	5.74%
Maintenance and Operations	5,761,088	5,213,221			5,761,088	5,213,221	10.51%
Transportation	1,830,454	1,673,964			1,830,454	1,673,964	9.35%
Other	4,535,005	4,524,279	6,934,880	6,427,094	11,469,885	10,951,373	4.73%
Disposal of Capital Assets		8,667,419				8,667,419	100.00%
Total Expenses	<u>66,176,213</u>	<u>67,923,344</u>	<u>6,934,880</u>	<u>6,427,094</u>	<u>73,111,093</u>	<u>74,350,438</u>	-1.67%
Change in Net Position	<u>\$ (107,367)</u>	<u>\$ (7,997,747)</u>	<u>\$ (27,490)</u>	<u>\$ 180,279</u>	<u>\$ (134,857)</u>	<u>\$ (7,817,468)</u>	-98.27%

Revenue Sources. The District's total revenue for the 2016/2017 school year was \$72,976,236 (See Figure A-5 on next page). Property taxes accounted for most of the District's revenue, \$47,884,230 of the total, or 65.67 percent (See Figure A-5). The remaining 34.33 percent of revenue is comprised of 23.02 percent from state formula aid and federal and state categorical grants, 10.72 percent from charges for services and .59 percent from other miscellaneous sources. The \$16,788,208 of federal and state categorical grants revenue includes \$4,007,755 of funds that are not paid to the District, but are included in funding for TPAF Post-Retirement Medical Benefits and Pension Contributions that the State of New Jersey is paying on behalf of the District as well as \$1,472,371 of reimbursed TPAF Social Security Contributions. The Pascack Valley Regional High School District primarily conducts its operations from the revenue it receives from its local taxpayers and State Aid.

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

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

	<u>Amount</u>	<u>Percentage</u>
Sources of Income:		
Property Taxes	\$ 47,884,230	65.62%
Federal and State Categorical Grants	16,788,208	23.01%
Charges for Services	7,873,338	10.79%
Other	430,460	0.59%
	<u>\$ 72,976,236</u>	<u>100.00 %</u>

The total cost of all programs and services was \$73,111,093. The District's expenses are predominantly related to instructing, caring for pupil and instruction services and transporting students (69.13 percent) (See Figure A-6). The District's administrative and business activities accounted for 7.30 percent of total costs and the other costs which accounted for 15.69% percent of total costs were primarily for depreciation and for transportation related costs and food service costs in the business-type activities.

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

	<u>Amount</u>	<u>Percentage</u>
Expense Category:		
Instruction	\$ 36,194,112	49.51%
Pupil and Instruction Services	12,518,982	17.12%
Administrative and Business	5,336,572	7.30%
Maintenance and Operations	5,761,088	7.88%
Transportation	1,830,454	2.50%
Other	11,469,885	15.69%
	<u>\$ 73,111,093</u>	<u>100.00 %</u>

Governmental Activities

Maintaining existing programs with a multitude of special programs and services for disabled pupils while remaining within in the 2% tax cap places great demands on the District's resources. During the past five years, a number of veteran teachers have retired and have been replaced by teachers with less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to offset increased special education programs and increased health benefit costs.

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

Governmental Activities (Cont'd)

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

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

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

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

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

	Total Cost of Services		Net Cost of Services	
	2016/17	2015/16	2016/17	2015/16
Instruction	\$ 36,194,112	\$ 31,644,788	\$ 24,516,194	\$22,230,667
Pupil and Instruction Services	12,518,982	11,152,882	9,078,103	9,300,597
Administrative and Business	5,336,572	5,046,791	4,078,263	4,104,377
Maintenance and Operations	5,761,088	5,213,221	4,589,768	4,424,632
Transportation	1,830,454	1,673,964	1,660,254	1,531,231
Other	4,535,005	4,524,279	4,535,005	4,343,155
	\$ 66,176,213	\$ 59,255,925	\$ 48,457,587	\$ 45,934,659

- The cost of all governmental activities this fiscal year was \$66,176,213.
- The federal and state governments subsidized certain programs with grants and contributions (\$16.79 million).
- Most of the District's costs were financed by District taxpayers.
- The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

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

Business-Type Activities

Net position from the District's business-type activity decreased by \$27,490 (Refer to Figure A-4). Factors contributing to these results included:

- Park Academy enterprise fund increased in net position by \$140,916, offset by a decrease in net position of \$48,685 in the food service enterprise fund, mainly due to students being able to order food from outside vendors, which caused a significant impact on the daily sales. Lastly, there was a decrease in the net position of \$119,721 in the Region II fund, mostly caused by the increase in net pension liability allocated to this fund.

Financial Analysis of the District's Funds

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

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

General Fund Budgetary Highlights

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

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2016/2017 budget was difficult as a result of rising costs. This resulted in the need for line item transfers during the fiscal year.

Capital Asset and Long-Term Liabilities

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

	Governmental Activities		Business-Type Activities		Total School District	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Land	\$ 6,245,500	\$ 6,245,500			\$ 6,245,500	\$ 6,245,500
Construction in Progress	3,690,063	2,370,211			3,690,063	2,370,211
Land Improvements	1,246,928	1,497,941			1,246,928	1,497,941
Buildings and Building Improvements	35,776,372	38,848,251			35,776,372	38,848,251
Machinery and Equipment	1,004,360	2,024,549	\$ 87,428	\$ 82,105	1,091,788	2,106,654
Total Capital Assets (Net of Depreciation)	\$ 47,963,223	\$ 50,986,452	\$ 87,428	\$ 82,105	\$ 48,050,651	\$ 51,068,557

During the 2016/2017 school year the District authorized and continued work on various projects within the District, some of which are being funded in part with Schools Development Authority grants.

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

Long-term Liabilities

At fiscal year end, the District had \$19,645,000 of general obligation bonds outstanding – a decrease of \$1,255,000 from last year. In addition, the District has \$20,256,457 of net pension liability – a net increase of \$5,023,639 from last year, \$1,612,524 of unamortized bond issuance premium – a net decrease of \$177,963 from last year, and \$1,014,393 in compensated absences payable – a net increase of \$21,475 from the prior year.

**Figure A-9
Outstanding Long-Term Liabilities**

	Total School District	
	2016/17	2015/16
General Obligation Bonds (Financed with Property Taxes)	\$ 19,645,000	\$ 20,900,000
Other Long - Term Liabilities	22,883,374	18,016,223
	\$ 42,528,374	\$ 38,916,223

Factors Bearing on the District’s Future Revenue/Expenses

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

- The current economic crisis in our state has generated concern in the educational community for public school funding.
- Governor Christopher Christie has and continues to initiate a number of fiscal reforms that directly impact public education.
- The district faces challenges for financial planning to continue the expansion and renovation of both Pascack Hills and Pascack Valley High Schools to meet curriculum demands and aging facilities.

The two percent tax levy cap has generated concern in the educational community for public school funding.

In New Jersey, the response to the tax levy cap has been to impose such measures as larger class sizes, cuts of jobs and textbook budgets, reduced school bus service, and fewer resources for state education departments and the uncertainty that state legislation could impose greater constraints on public school districts, has had an effect on suburban public school districts recognized for providing innovative and cutting edge programs to their students to place a hold on expanding their academic offerings. Wealthy districts such as the sending districts of Hillsdale, Montvale, River Vale and Woodcliff Lake to the Pascack Valley Regional High School District, which are mostly residential, are concerned that if the state does not provide these districts their fair share of state aid, the schools will be unable to provide the programs that made them high achieving districts and to maintain the condition of the school facilities.

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

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

Facility Upgrades

Financial planning is required to fund the future challenges of needed expansion and renovation in both Pascack Hills and Pascack Valley High Schools in order to meet enrollment and curriculum demands along with necessary facility modifications. The current plan is to continue allocations in the Fund 12, General Fund Capital Outlay section of the school budget. This financial plan has allowed the District to identify projects to be included in the General Fund Capital Outlay section of the school budget without the need to include a special question for the voters to approve at the annual school election. Furthermore, by maintaining the line item at the previous level there is a neutral effect on the tax base.

Below is a listing of projects started in the 2013-2014 and 2014-2015 school years which have SDA grant funding which covers 40% of the cost, that are still in progress.

SUMMARY OF PROJECTS

	Project	Funding	Change Orders	Cost of Project	Notes
	72 Wing window PV	2013-14 and 2014-15 Budgets		\$479,254	In progress
	A Wing Window PH	2013-14 and 2014-15 Budgets		\$628,780	In progress

- \$82,160 transferred from A wing to 72 wing

Contracting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Pascack Valley Regional Board of Education Office located at 28 West Grand Avenue, Montvale, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,222,952	\$ 692,065	\$ 8,915,017
Internal Balances	1,141,904	(1,141,904)	
Receivables from Federal Government	91,003		91,003
Receivables from State Government	525,637		525,637
Receivables from Other Governments	69,365	1,047,748	1,117,113
Other Receivables	61,753	467	62,220
Inventory		6,829	6,829
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	6,203,481		6,203,481
Maintenance Reserve Account	153,000		153,000
Emergency Reserve Account	256,250		256,250
Capital Assets, Net:			
Sites (Land) and Construction in Progress	7,492,428		7,492,428
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	40,470,795	87,428	40,558,223
Total Assets	<u>64,688,568</u>	<u>692,633</u>	<u>65,381,201</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	1,377,450		1,377,450
Changes in Assumptions - Pensions	3,860,375	335,681	4,196,056
Changes in Proportions - Pensions	574,167	49,927	624,094
Difference between Expected and Actual Experience - Pensions	346,573	30,136	376,709
Net Difference between Projected and Actual Investment Earnings - Pensions	710,606	61,791	772,397
District Contribution Subsequent to the Measurement Date - Pensions	622,419	54,123	676,542
Total Deferred Outflows of Resources	<u>7,491,590</u>	<u>531,658</u>	<u>8,023,248</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,019,058	129,927	1,148,985
Accrued Interest Payable	258,916		258,916
Payable to State Government	33,925		33,925
Payable to Other Governments	199		199
Unearned Revenue	7,256	54,207	61,463
Noncurrent Liabilities:			
Due Within One Year	1,531,153		1,531,153
Due Beyond One Year	39,376,721	1,620,500	40,997,221
Total Liabilities	<u>42,227,228</u>	<u>1,804,634</u>	<u>44,031,862</u>
NET POSITION			
Net Investment in Capital Assets	28,083,149	87,428	28,170,577
Restricted for:			
Capital Projects	6,263,675		6,263,675
Emergency Reserve Account	256,250		256,250
Maintenance Reserve Account	153,000		153,000
Excess Surplus	4,830,343		4,830,343
Unrestricted/(Deficit)	<u>(9,633,487)</u>	<u>(667,771)</u>	<u>(10,301,258)</u>
Total Net Position	<u>\$ 29,952,930</u>	<u>\$ (580,343)</u>	<u>\$ 29,372,587</u>

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

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

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 27,647,329		\$ 7,711,262	\$ (19,936,067)		\$ (19,936,067)
Special Education	5,381,126		3,129,910	(2,251,216)		(2,251,216)
Other Special Instruction	15,290		71,962	56,672		56,672
Other Instruction	3,150,367		764,784	(2,385,583)		(2,385,583)
Support Services:						
Tuition	2,996,164	\$ 966,246		(2,029,918)		(2,029,918)
Student & Instruction Related Services	9,522,818		2,474,633	(7,048,185)		(7,048,185)
General Administrative Services	1,284,224		240,498	(1,043,726)		(1,043,726)
School Administrative Services	2,139,765		521,175	(1,618,590)		(1,618,590)
Central Services	1,113,406		307,902	(805,504)		(805,504)
Administration Information Technology	799,177		188,734	(610,443)		(610,443)
Plant Operations and Maintenance	5,761,088		1,171,320	(4,589,768)		(4,589,768)
Pupil Transportation	1,830,454		170,200	(1,660,254)		(1,660,254)
Interest on Long-Term Debt	685,675			(685,675)		(685,675)
Capital Outlay	2,335			(2,335)		(2,335)
Unallocated Depreciation	3,846,995			(3,846,995)		(3,846,995)
Total Governmental Activities	66,176,213	966,246	16,752,380	(48,457,587)		(48,457,587)

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

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 907,120	\$ 858,138			\$ (48,982)	\$ (48,982)
Park Academy	817,985	958,900			140,915	140,915
Region II Transportation and Administration	5,066,863	4,947,142			(119,721)	(119,721)
Region II Summer School Transportation	40,916	40,916				
	101,996	101,996				
Total Business-Type Activities	6,934,880	6,907,092		(27,788)		(27,788)
Total Primary Government	\$ 73,111,093	\$ 7,873,338	\$ 16,752,380	\$ (48,457,587)	(27,788)	(48,485,375)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				45,910,355		45,910,355
Taxes Levied for Debt Service				1,973,875		1,973,875
State Aid Not Restricted				35,828		35,828
Interest and Miscellaneous Income				430,162	298	430,460
Total General Revenues				48,350,220	298	48,350,518
Change in Net Position				(107,367)	(27,490)	(134,857)
Net Position/(Deficit) - Beginning				30,060,297	(552,853)	29,507,444
Net Position/(Deficit) - Ending				\$ 29,952,930	\$ (580,343)	\$ 29,372,587

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,362,882	\$ 10,805	\$ 1,849,265		\$ 8,222,952
Interfund Receivable	2,887,626				2,887,626
Receivables from Federal Government		91,003			91,003
Receivables from State Government	525,637				525,637
Receivables from Other Governments	69,365				69,365
Other Receivables	43,716				43,716
Restricted Cash and Cash Equivalents	6,612,731				6,612,731
Total Assets	\$ 16,501,957	\$ 101,808	\$ 1,849,265	\$ - 0 -	\$ 18,453,030
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable	\$ 69,209	\$ 22,655	\$ 1,635,821		\$ 1,727,685
Payable to State Government		33,925			33,925
Payable to Other Governments		199			199
Accounts Payable	354,600	39,467	2,572		396,639
Unearned Revenue	1,694	5,562			7,256
Total Liabilities	425,503	101,808	1,638,393		2,165,704
Fund Balances:					
Restricted:					
Excess Surplus	2,490,593				2,490,593
Excess Surplus - Subsequent Year's Expenditures	2,339,750				2,339,750
Capital Reserve Account	6,203,481				6,203,481
Maintenance Reserve Account	153,000				153,000
Emergency Reserve Account	256,250				256,250
Capital Projects Fund			60,194		60,194
Committed - Capital Projects Fund			150,678		150,678
Assigned:					
Encumbrances	3,295,375				3,295,375
Unassigned - General Fund	1,338,005				1,338,005
Total Fund Balances	16,076,454		210,872		16,287,326
Total Liabilities and Fund Balances	\$ 16,501,957	\$ 101,808	\$ 1,849,265	\$ -0-	\$ 18,453,030

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

Funds Balances - Governmental Funds (Above)	\$ 16,287,326
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds. The cost of the assets is \$76,351,703 and the accumulated depreciation is \$28,388,480.	47,963,223
Deferred Amount on Refunding is not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$2,170,388 and the accumulated amortization is \$634,354.	1,377,450
Interest on Long-Term Debt is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(258,916)
Bond Premiums are reported as revenue in the Funds. These premiums total \$2,502,352 and the accumulated amortization is \$889,828.	(1,612,524)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(18,635,956)

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

	<u>Total Governmental Funds</u>
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Changes in Assumptions - Pensions	\$ 3,860,375
Changes in Proportions - Pensions	574,167
Difference between Expected and Actual Experience - Pensions	346,573
Net Difference between Projected and Actual Investment Earnings - Pensions	710,606
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.	<u>(20,659,394)</u>
Net Position of Governmental Activities	<u><u>\$ 29,952,930</u></u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 45,910,355			\$ 1,973,875	\$ 47,884,230
Tuition Charges	966,246				966,246
Miscellaneous	422,979	\$ 15,366	\$ 7,183		445,528
Total - Local Sources	47,299,580	15,366	7,183	1,973,875	49,296,004
State Sources	7,089,648	178,892			7,268,540
Federal Sources		546,584			546,584
Total Revenues	54,389,228	740,842	7,183	1,973,875	57,111,128
EXPENDITURES					
Current:					
Regular Instruction	15,418,144	286,737			15,704,881
Special Education Instruction	2,950,896	454,105			3,405,001
Other Instruction	1,983,028				1,983,028
Support Services and Undistributed Costs:					
Tuition	2,996,164				2,996,164
Student & Instruction Related Services	5,727,173				5,727,173
General Administrative Services	915,913				915,913
School Administrative Services	1,340,724				1,340,724
Central Services	658,579				658,579
Administration Information Technology	394,237				394,237
Plant Operations and Maintenance	3,861,941				3,861,941
Pupil Transportation	1,771,698				1,771,698
Unallocated Benefits	11,751,787				11,751,787
Debt Service:					
Principal				1,255,000	1,255,000
Interest and Other Charges				718,875	718,875
Capital Outlay	1,596,611		5,786		1,602,397
Total Expenditures	51,366,895	740,842	5,786	1,973,875	54,087,398
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	3,022,333		1,397		3,023,730
OTHER FINANCING SOURCES/(USES)					
Transfers In	169,456				169,456
Transfers Out			(169,456)		(169,456)
Total Other Financing Sources/(Uses)	169,456		(169,456)		
Net Change in Fund Balances	3,191,789		(168,059)		3,023,730
Fund Balance — July 1	12,884,665		378,931		13,263,596
Fund Balance — June 30	\$ 16,076,454	\$ -0-	\$ 210,872	\$ -0-	\$ 16,287,326

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$	3,023,730
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.	Depreciation expense	\$	(4,456,473)
	Disposal of Capital Assets		(60,455)
	Capital outlays		1,493,699
			(3,023,229)
Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)			1,255,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).			13,821
The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+)			177,963
The governmental funds report the effect of the deferred amount on the refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities (-)			(158,584)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:			(4,621,766)
Changes in Net Pension Liability			2,355,363
Deferred Outflows:			12,243
Changes in Assumptions			(56,359)
Difference between Expected and Actual Experience			935,927
Changes in Proportions			
Net Difference between projected and actual investment earnings on Pension Plan Investments			

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

Change in Net Position of Governmental Activities (A-2)

	\$	(21,476)
		(107,367)

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

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Funds</u>	<u>Region II Transportation</u>	<u>Total Enterprise</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 692,065		\$ 692,065
Interfund Receivable - General Fund		\$ 69,209	69,209
Accounts Receivable:			
Intergovernmental - Other	40,737	1,007,011	1,047,748
Other	467		467
Inventories	6,829		6,829
Total Current Assets	<u>740,098</u>	<u>1,076,220</u>	<u>1,816,318</u>
Non-Current Assets:			
Capital Assets	292,424		292,424
Less: Accumulated Depreciation	<u>(204,996)</u>		<u>(204,996)</u>
Total Non-Current Assets	<u>87,428</u>	<u>-0-</u>	<u>87,428</u>
Total Assets	<u>827,526</u>	<u>1,076,220</u>	<u>1,903,746</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	83,920	251,761	335,681
Difference between Expected and Actual Experience - Pensions	7,534	22,602	30,136
Net Difference between projected and actual			
investment earnings on Pension Plan Investments	15,448	46,343	61,791
Changes in Proportions - Pensions	12,482	37,445	49,927
District Contribution Subsequent to the Measurement Date	<u>13,531</u>	<u>40,592</u>	<u>54,123</u>
Total Deferred Outflows of Resources	<u>132,915</u>	<u>398,743</u>	<u>531,658</u>
LIABILITIES			
Current Liabilities:			
Interfund Payable - General Fund	260,785	950,328	1,211,113
Accounts Payable - Vendors	20,488	55,316	75,804
Accounts Payable - State	13,531	40,592	54,123
Unearned Revenue	25,590	28,617	54,207
Noncurrent Liabilities:			
Net Pension Liability	<u>405,125</u>	<u>1,215,375</u>	<u>1,620,500</u>
Total Liabilities	<u>725,519</u>	<u>2,290,228</u>	<u>3,015,747</u>
NET POSITION			
Investment in Capital Assets	87,428		87,428
Unrestricted / (Deficit)	<u>147,494</u>	<u>(815,265)</u>	<u>(667,771)</u>
Total Net Position	<u>\$ 234,922</u>	<u>\$ (815,265)</u>	<u>\$ (580,343)</u>

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

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Funds</u>	<u>Region II Transportation</u>	<u>Total Enterprise</u>
Operating Revenue:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$ 809,715		\$ 809,715
Special Events	12,918		12,918
Free Lunch Subsidized	35,505		35,505
Charges and Fees	<u>1,101,812</u>	<u>\$ 4,947,142</u>	<u>6,048,954</u>
Total Operating Revenue	<u>1,959,950</u>	<u>4,947,142</u>	<u>6,907,092</u>
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	417,301		417,301
Salaries	850,939	1,332,033	2,182,972
Employee Benefits	187,852	294,541	482,393
Purchased Services	274,110	842,182	1,116,292
Contracted Services	1,382	2,590,885	2,592,267
Supplies and Materials	49,013	4,163	53,176
Depreciation Expense	7,815		7,815
Rent	60,000		60,000
Miscellaneous	<u>19,605</u>	<u>3,059</u>	<u>22,664</u>
Total Operating Expenses	<u>1,868,017</u>	<u>5,066,863</u>	<u>6,934,880</u>
Operating Income/(Loss)	<u>91,933</u>	<u>(119,721)</u>	<u>(27,788)</u>
Non-Operating Revenue:			
Interest Revenue	<u>298</u>		<u>298</u>
Total Non-Operating Revenue	<u>298</u>	<u>-0-</u>	<u>298</u>
Change in Net Position	92,231	(119,721)	(27,490)
Net Position/(Deficit) - Beginning of Year	<u>142,691</u>	<u>(695,544)</u>	<u>(552,853)</u>
Net Position/(Deficit) - End of Year	<u>\$ 234,922</u>	<u>\$ (815,265)</u>	<u>\$ (580,343)</u>

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

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

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds	Region II Transportation	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,949,624	\$ 4,865,801	\$ 6,815,425
Receipts from District	35,505		35,505
Payments to Employees	(529,179)	(1,242,397)	(1,771,576)
Payments for Employee Benefits	(138,408)	(294,541)	(432,949)
Payments for Services	(182,269)	(3,474,618)	(3,656,887)
Payments for Rent	(60,000)		(60,000)
Payments to Food Service Vendor	(862,307)		(862,307)
Payments to Suppliers	(46,334)	(7,222)	(53,556)
Net Cash Provided by/(Used for) Operating Activities	<u>166,632</u>	<u>(152,977)</u>	<u>13,655</u>
Cash Flows from Investing Activities:			
Interest Revenue	298		298
Net Cash Provided by Investing Activities	<u>298</u>	<u>-0-</u>	<u>298</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Advanced - General Fund	88,785	152,977	241,762
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>88,785</u>	<u>152,977</u>	<u>241,762</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(13,138)		(13,138)
Net Cash Used for Noncapital Financing Activities	<u>(13,138)</u>		<u>(13,138)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	242,577	-0-	242,577
Cash and Cash Equivalents, July 1	449,488	-0-	449,488
Cash and Cash Equivalents, June 30	<u>\$ 692,065</u>	<u>\$ -0-</u>	<u>\$ 692,065</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 91,933	\$ (119,721)	\$ (27,788)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	7,815		7,815
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	18,664	(73,172)	(54,508)
(Increase) in Inventory	4,425		4,425
(Increase) in Change in Assumptions	(51,202)	(153,608)	(204,810)
Increase in Difference between Expected and Actual Experience	(266)	(798)	(1,064)
Increase in Investment Gains - Pensions	(20,346)	(61,038)	(81,384)
Decrease in Changes in Proportion - Pensions	1,225	3,676	4,901
(Increase)/Decrease in Pension Liability	100,468	301,404	401,872
Increase in Accounts Payable	7,401	(41,551)	(34,150)
(Decrease) in Unearned Revenue	6,515	(8,169)	(1,654)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 166,632</u>	<u>\$ (152,977)</u>	<u>\$ 13,655</u>

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2017

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ASSETS:				
Cash and Cash Equivalents	\$ 609,183	\$ 97,325		\$ 189,561
Investments	40,753			76,563
Other Receivables			\$ 5,607	
Total Assets	649,936	97,325	5,607	266,124
LIABILITIES:				
Interfund Payable:				
General Fund	18,037			
Payroll Deductions and Withholdings	75,126			
Due to Student Groups	394,419			
E- Learning Costs	162,354			
Total Liabilities	649,936			
NET POSITION:				
Held in Trust for:				
Unemployment Claims		97,325		
Flexible Spending Claims			5,607	
Restricted for Scholarships				266,124
Total Net Position	\$ -0-	\$ 97,325	\$ 5,607	\$ 266,124

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

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

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Member	\$ 81,346	\$ 23,593	
Other			\$ 9,061
Total Contributions	81,346	23,593	9,061
Investment Earnings:			
Interest	330		813
Net Investment Earnings	330		813
Total Additions	81,676	23,593	9,874
DEDUCTIONS:			
Quarterly Contribution Reports	52,564		
Flexible Spending Claims		41,931	
Scholarships Awarded			11,450
Total Deductions	52,564	41,931	11,450
Change in Net Position	29,112	(18,338)	(1,576)
Net Position - Beginning of the Year	68,213	23,945	267,790
Net Position - End of the Year	\$ 97,325	\$ 5,607	\$ 266,214

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary funds:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 54,368,588	\$ 740,842
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	52,707	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(32,067)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 54,389,228	\$ 740,842
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 51,366,895	\$ 740,842
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 51,366,895	\$ 740,842

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

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

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

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

	Capital Projects Fund	
	Revenue	Fund Balance
Committed Fund Balance		\$ 784,517
Restricted Fund Balance		60,194
Total Revenue/Fund Balance - Budgetary Basis		844,711
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue (Budgetary Basis)	\$ (36,647)	
SDA Grant Receivable/Revenue Recognized/(Not Recognized) on the GAAP Basis	36,647	(633,839)
Revenue/Fund Balance per Governmental Funds (GAAP Basis)	\$ -0-	\$ 210,872

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, cash in banks and short-term investments with original maturities of three months or less. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

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

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

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	40 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2017.

N. Compensated Absences:

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

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

Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

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

N. Compensated Absences: (Cont'd)

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$16,076,454 General Fund fund balance at June 30, 2017 \$3,295,375 is assigned for encumbrances; \$6,203,481, \$153,000 and \$256,250 is restricted in the capital reserve, maintenance reserve and emergency reserve accounts, respectively; \$4,830,343 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$2,339,750 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2018 and the remaining \$2,490,593 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2019); and \$1,338,005 is unassigned which is \$32,067 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2018.

Capital Projects Fund: Of the \$210,872 Capital Projects Fund fund balance at June 30, 2017 \$60,194 is restricted for capital projects authorized by referendum and \$150,678 is committed for capital projects which are financed with SDA grants, capital outlay, or capital reserve funds which is \$633,839 less than the budgetary basis due to SDA Grants receivable not recognized on the GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance is \$-0- at June 30, 2017.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2017 as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$32,067 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

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

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

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$9,633,487 in governmental activities, which is primarily due to compensated absences payable, and liabilities and deferred inflows and outflows related to pensions. The Region II Enterprise Fund Transportation/Administration Account has a deficit in unrestricted net position of \$857,224 which is due to liabilities and deferred inflows and outflows related to pensions. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

The Food Service Enterprise Fund has a deficit in unrestricted net position of \$124,336 which is due to student dissatisfaction with menu choices. The District has taken measures to resolve the deficit net position and will continue to work on measures to prevent a deficit in future years.

R. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, emergency reserve, and the capital projects fund.

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

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

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

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

S. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2017 for the deferred amount on the refunding of debt related to the District's 2012 and 2013 refunding bonds and for changes in assumptions for pensions, changes in proportion in pensions, difference between expected and actual experience in pensions, net difference between projected and actual investment earnings in pensions and district contribution subsequent to the measurement date in pensions.

The District had no deferred inflows of resources at June 30, 2017.

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

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

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

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and charges for services for transportation and administration of Region II and Park Academy. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the Enterprise Funds.

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Credit Risk – The Board limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as detailed below.

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

Deposits:

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

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

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

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

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

Investments:

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

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

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

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

Investments: (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

	Cash and		Restricted Cash and Cash Equivalents			Total
	Cash Equivalents	Investments	Capital	Maintenance	Emergency	
Checking Accounts	\$ 9,807,424		\$ 6,203,481	\$ 153,000	\$ 256,250	\$16,420,155
Savings Accounts	3,662					3,662
Certificates of Deposit		\$ 117,316				117,316
	<u>\$ 9,811,086</u>	<u>\$ 117,316</u>	<u>\$ 6,203,481</u>	<u>\$ 153,000</u>	<u>\$ 256,250</u>	<u>\$16,541,133</u>

During the period ended June 30, 2017, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments, at June 30, 2017, was \$16,541,133 and the bank balance was \$17,950,903.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution by inclusion of \$1 in September 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 5,585,531
Interest Earnings	5,000
Deposit by Board Resolution	3,337,727
Unexpended Projects Returned	162,273
Withdrawals by Board Resolution	<u>(2,887,050)</u>
Ending Balance, June 30, 2017	<u>\$ 6,203,481</u>

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

NOTE 5. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the emergency reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 255,000
Interest Earnings	<u>1,250</u>
Ending Balance, June 30, 2017	<u>\$ 256,250</u>

NOTE 6. MAINTENANCE RESERVE ACCOUNT

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

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

(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

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

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 152,250
Interest Earnings	<u>750</u>
Ending Balance, June 30, 2017	<u><u>\$ 153,000</u></u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ending June 30, 2017, the District transferred \$383,414 to the capital outlay accounts for equipment, which did not require County Superintendent approval.

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

NOTE 8. CAPITAL ASSETS

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

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 6,245,500			\$ 6,245,500
Construction in Progress	2,370,211	\$ 1,319,852		3,690,063
Total Capital Assets Not Being Depreciated	8,615,711	1,319,852		9,935,563
Capital Assets Being Depreciated:				
Land Improvements	4,490,640	17,245	(60,455)	4,447,430
Buildings and Building Improvements	54,666,531			54,666,531
Machinery and Equipment	7,145,577	156,602		7,302,179
Total Capital Assets Being Depreciated	66,302,748	173,847	(60,455)	66,416,140
Governmental Activities Capital Assets	74,918,459	1,493,699	(60,455)	76,351,703
Less Accumulated Depreciation for:				
Land Improvements	(2,992,699)	(207,803)		(3,200,502)
Buildings and Building Improvements	(15,818,280)	(3,071,879)		(18,890,159)
Machinery and Equipment	(5,121,028)	(1,176,791)		(6,297,819)
	(23,932,007)	(4,456,473)		(28,388,480)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 50,986,452	\$ (2,962,774)	\$ (60,455)	\$ 47,963,223
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 279,286	\$ 13,138		\$ 292,424
Less Accumulated Depreciation	(197,181)	(7,815)		(204,996)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 82,105	\$ 5,323	\$ -0-	\$ 87,428

The \$1,319,852 addition to construction in progress is the result of the District's \$5,786 Capital Projects Fund expenditure and \$1,314,066 capital outlay expenditures in the General Fund.

The District had various active construction projects as of June 30, 2017. As of June 30, 2017 the District has \$844,711 in active construction projects including \$597,505 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 531,701
Administrative Information Technology	115,996
Plant Operations and Maintenance	22,236
Unallocated	3,786,540
	\$ 4,456,473

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

NOTE 9. LONG-TERM LIABILITIES

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

	Balance 6/30/16	Added	Retired	Balance 6/30/17
Serial Bonds Payable	\$ 20,900,000		\$ 1,255,000	\$ 19,645,000
Unamortized Bond Issuance Premium	1,790,487		177,963	1,612,524
Net Pension Liability	15,232,818	\$ 5,023,638		20,256,456
Compensated Absences Payable	992,918	73,651	52,175	1,014,394
	<u>\$ 38,916,223</u>	<u>\$ 5,097,289</u>	<u>\$ 1,485,138</u>	<u>\$ 42,528,374</u>

A. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$177,963 and is separated from the long-term liability balance of \$1,434,561.

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2017 is \$1,305,000 and the long-term portion is \$18,340,000. Bonds are liquidated through the debt service fund.

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

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds	08/15/2022	3.00%	\$ 8,575,000
School Refunding Bonds	08/15/2028	2.00%-4.00%	<u>11,070,000</u>
			<u>\$ 19,645,000</u>

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

Fiscal Year Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,305,000	\$ 718,875	\$ 2,023,875
2019	1,350,000	680,475	2,030,475
2020	1,400,000	640,650	2,040,650
2021	1,450,000	599,400	2,049,400
2022	1,505,000	556,650	2,061,650
Thereafter:			
2023-2027	8,620,000	2,363,200	10,983,200
2028-2029	4,015,000		4,015,000
	<u>\$ 19,645,000</u>	<u>\$ 5,559,250</u>	<u>\$ 25,204,250</u>

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

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

C. Bonds Authorized But Not Issued:

As of June 30, 2017, the Board had no bonds authorized but not issued.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$966,204. The current portion of this liability is \$48,190.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the proprietary funds. Compensated absences are liquidated by the related fund, in this case the general fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund, Park Academy Enterprise Fund and the Region II Transportation Enterprise Fund. The current portion of the net pension liability at June 30, 2017 is \$-0- and the long-term portion is \$20,256,456. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

Substantially all of the Board's employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS); or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS):

Plan Description

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

Benefits Provided

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$567,557 for 2016.

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

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

At June 30, 2017, the District's liability was \$20,256,456 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.068%, which was an increase of 0.0005% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized actual pension expense in the amount of \$2,101,680. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 254,627	
	2015	5.72	1,040,464	
	2016	5.57	2,900,965	
			<u>4,196,056</u>	
Difference Between Expected and Actual Experience	2015	5.72	288,673	
	2016	5.57	88,036	
			<u>376,709</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(381,563)	
	2015	5.00	244,121	
	2016	5.00	909,839	
			<u>772,397</u>	
Changes in Proportion	2014	6.44	199,037	
	2015	5.72	337,685	
	2016	5.57	87,372	
			<u>624,094</u>	
District Contribution Subsequent to the Measurement Date	2016	1.00	<u>676,542</u>	
			<u>\$ 6,645,798</u>	<u>\$ -0-</u>

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

Fiscal Year Ending June 30,	Total
2017	\$ 1,203,415
2018	1,203,414
2019	1,394,196
2020	1,171,329
2021	<u>372,808</u>
	<u>\$ 5,345,162</u>

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

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2016 are summarized in the following table:

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 24,821,924	\$ 20,256,456	\$ 16,487,268

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2017, the State of New Jersey contributed \$2,107,542 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$11,141,619.

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$148,285,854. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.188%, which was an increase of 0.004% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>148,285,854</u>
Total	<u>\$ 148,285,854</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$11,141,619 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

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

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	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%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

	June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
Total Net Pension Liability	\$ 177,086,448	\$ 148,285,854	\$ 124,766,452

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP):

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

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

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

For DCRP, the District recognized pension expense of \$6,951 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$9,456 for the year ended June 30, 2017.

NOTE 11. POST-RETIREMENT BENEFITS

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

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

NOTE 11. POST-RETIREMENT BENEFITS (Cont'd)

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a 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/financial2015combined.pdf>.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,819,688, \$1,797,043 and \$1,587,663 for 2017, 2016 and 2015, respectively.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ -0-	\$ 330	\$ 81,346	\$ 52,564	\$ 97,325
2015-2016	-0-	241	36,093	43,847	68,213
2014-2015	-0-	204	40,302	34,118	75,726

Property and Liability Insurance

The District is a member of the Northeast Bergen School Board Insurance Group ("NESBIG") and maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NESBIG provides general liability, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. NESBIG is a risk-sharing public entity risk

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

NOTE 12. RISK MANAGEMENT (Cont'd)

management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for NESBIG are elected.

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

The audit report for the fiscal year ended June 30, 2017 was not available as of the date of this report. Selected, summarized financial information for NESBIG as of June 30, 2016 is as follows:

Total Assets	<u>\$ 27,909,834</u>
Net Position	<u>\$ 9,950,742</u>
Total Revenue	<u>\$ 13,953,880</u>
Total Expenses	<u>\$ 11,937,228</u>
Change in Net Position	<u>\$ 2,016,652</u>
Member Dividends	<u>\$ -0-</u>

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

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

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

NOTE 13. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

<u>Governmental Funds</u>	
<u>General</u>	<u>Total Governmental Funds</u>
<u>\$ 3,295,375</u>	<u>\$ 3,295,375</u>

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances existed at June 30, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,887,626	\$ 69,209
Special Revenue		22,655
Capital Projects Fund		1,635,821
Proprietary Funds - Transportation - Region II	69,209	950,328
Proprietary Funds - Food Service Fund		247,000
Proprietary Funds - Transportation		12,370
Proprietary Funds - Park Academy		1,415
Fiduciary Funds - Payroll		18,037
	<u>\$ 2,956,835</u>	<u>\$ 2,956,835</u>

The general fund interfund receivable consists of monies posted to the Special Revenue Fund in error and were not turned over to the General Fund as of June 30, 2017; on-behalf expenditures due from the Capital Projects Fund, interest earnings, and a transfer from Capital Projects Fund for the cancelation of projects funded by the capital reserve which are due back to general fund; monies loaned to the Proprietary Funds (Transportation and Food Service Fund) to meet short-term cash flow needs as the Proprietary Funds have outstanding receivables at fiscal year end; and monies due from the Agency Fund (Payroll) and (Professional Development) for an interfund loan, interest earnings, and cancelation of old unidentified balance. The interfund payable from the General Fund to the Proprietary Funds (Transportation) is due to an error in posting and funds were incorrectly transferred to the General Fund.

NOTE 15. DEFERRED COMPENSATION

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

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

NOTE 15. DEFERRED COMPENSATION (Cont'd)

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

NOTE 16. TAX CALENDAR

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

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

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2017:

	Governmental Funds			District Contribution Subsequent to the Measurement Date	Total Governmental Activities	District Contribution Subsequent to the Measurement Date	Business-Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund				Total Proprietary Activities
Vendors	\$ 354,600	\$ 39,467	\$ 2,572		\$ 396,639		\$ 129,927
Local		199			199		
State of NJ		33,925		\$ 622,419	656,344	\$ 54,123	54,123
	<u>\$ 354,600</u>	<u>\$ 73,591</u>	<u>\$ 2,572</u>	<u>\$ 622,419</u>	<u>\$ 1,053,182</u>	<u>\$ 54,123</u>	<u>\$ 184,050</u>

NOTE 18. ECONOMIC DEPENDENCY

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

NOTE 19. PRIOR YEAR RESTATEMENT

The District also made a prior year adjustment in the Enterprise Fund Combining Statement of Revenue, Expenses and Change in Net Position to restate net position in the Park Academy Fund and in the Food Service Fund. The net pension liability as of June 30, 2016 was previously incorrectly allocated to the Food Service Fund and it should have been allocated to the Park Academy Fund.

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

(Continued)

NOTE 19. PRIOR YEAR RESTATEMENT (Cont'd)

	Balance 6/30/16 as Previously Reported	Retroactive Adjustments Food Service	Balance 6/30/17 as Restated
Deferred Outflows of Resources:			
Changes in Assumptions - Pensions Difference between Expected and Actual Experience - Pensions	\$ 32,718	\$ (32,718)	
Net Difference between projected and actual investment earnings on Pension Plan Investments	7,268	(7,268)	
Changes in Proportions - Pensions District Contribution Subsequent to the Measurement Date - Pensions	13,707	(13,707)	
Total Deferred Outflows of Resources	<u>65,845</u>	<u>(65,845)</u>	<u>\$ -0-</u>
Current Liabilities:			
Accounts Payable - State	12,152	(12,152)	
Non Current Liabilities:			
Net Pension Liability	<u>304,657</u>	<u>\$ (304,657)</u>	
Total Liabilities	<u>316,809</u>	<u>(316,809)</u>	
Deferred Inflows of Resources:			
Net Difference between projected and actual investment earnings on Pension Plan Investments	<u>4,898</u>	<u>(4,898)</u>	
	4,898	(4,898)	
Net Position:			
Unrestricted/(Deficit)	<u>(413,619)</u>	<u>255,862</u>	<u>(157,757)</u>
Total Net Position	<u>\$ (331,514)</u>	<u>\$ 255,862</u>	<u>\$ (75,652)</u>
Park Academy			
Deferred Outflows of Resources:			
Changes in Assumptions - Pensions Difference between Expected and Actual Experience - Pensions		\$ 32,718	32,718
Net Difference between projected and actual investment earnings on Pension Plan Investments		7,268	7,268
Changes in Proportions - Pensions District Contribution Subsequent to the Measurement Date - Pensions		13,707	13,707
Total Deferred Outflows of Resources	<u>\$ -0-</u>	<u>65,845</u>	<u>65,845</u>
Current Liabilities:			
Accounts Payable - State		12,152	12,152
Non Current Liabilities:			
Net Pension Liability		<u>304,657</u>	<u>304,657</u>
Total Liabilities		<u>316,809</u>	<u>316,809</u>
Deferred Inflows of Resources:			
Net Difference between projected and actual investment earnings on Pension Plan Investments		<u>4,898</u>	<u>4,898</u>
		4,898	4,898
Net Position:			
Unrestricted/(Deficit)	<u>474,205</u>	<u>(255,862)</u>	<u>218,343</u>
Total Net Position	<u>\$ 474,205</u>	<u>\$ (255,862)</u>	<u>\$ 218,343</u>

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0651608925%	0.0678582550%	0.0683943911%
District's proportionate share of the net pension liability	\$ 12,080,929	\$ 15,232,818	\$ 20,256,456
District's covered employee payroll	\$ 4,617,790	\$ 4,699,693	\$ 4,775,762
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.62%	324.12%	424.15%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 537,177	\$ 538,329	\$ 567,557
Contributions in relation to the contractually required contribution	(537,177)	(538,329)	(567,557)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 4,651,316	\$ 4,617,790	\$ 4,699,693
Contributions as a percentage of covered employee payroll	11.55%	11.66%	12.08%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.1868945847%	0.1849861808%	0.1884997318%
State's proportionate share of the net pension liability attributable to the District	\$ 99,889,073	\$ 116,919,166	\$ 148,285,854
District's covered employee payroll	\$ 19,161,369	\$ 19,640,775	\$ 20,425,197
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	521.30%	595.29%	725.99%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%

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

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

	Fiscal Year Ending June 30,		
	2014	2015	2017
Contractually required contribution	\$ 727,021	\$ 5,374,970	\$ 11,141,619
Contributions in relation to the contractually required contribution	<u>(727,021)</u>	<u>(1,000,103)</u>	<u>(2,107,542)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ 4,374,867</u>	<u>\$ 9,034,077</u>
District's covered employee payroll	\$ 19,161,369	\$ 19,640,775	\$ 20,425,197
Contributions as a percentage of covered employee payroll	3.79%	5.09%	10.32%

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

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

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

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

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

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

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

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

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

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

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

Changes of Assumptions (Cont'd)

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

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

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

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

**BUDGETARY COMPARISON SCHEDULES
(UNAUDITED)**

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

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 45,910,355		\$ 45,910,355	\$ 45,910,355	\$ 35,515
Tuition from Individuals	330,000		330,000	930,731	600,731
Tuition from LEAS Within State	1,250		1,250	1,250	
Interest Earned on Emergency Reserve Funds	5,000		5,000	5,000	
Interest Earned on Capital Reserve Funds	750		750	750	
Interest Earned on Maintenance Reserve	185,000		185,000	415,979	230,979
Miscellaneous	46,432,355		46,432,355	47,299,580	867,225
Total - Local Sources					
State Sources:					
Special Education Categorical Aid	928,282		928,282	928,282	
Security Aid	35,828		35,828	35,828	
Transportation Aid	110,465		110,465	110,465	
PARCC Readiness Aid	20,650		20,650	20,650	
Per Pupil Growth Aid	20,650		20,650	20,650	
Professional Learning Community Aid	20,670		20,670	20,670	
Extraordinary Special Education Costs Aid				430,813	430,813
Nonpublic School Transportation Costs				21,524	21,524
On-Behalf TPAF Post Retirement Contributions				1,819,688	1,819,688
On-Behalf TPAF Pension Contributions				2,107,542	2,107,542
On-Behalf TPAF Non-Contributory Insurance				76,361	76,361
On-Behalf TPAF Long-Term Disability Insurance				4,164	4,164
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,472,371	1,472,371
Total State Sources	1,136,545		1,136,545	7,069,008	5,932,463
TOTAL REVENUES	47,568,900		47,568,900	54,368,588	6,799,688

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 13,927,505	\$ (27,151)	\$ 13,900,354	\$ 13,622,279	\$ 278,075
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000	(10,950)	89,050	74,884	14,166
Purchased Professional - Educational Services	20,000	3,960	23,960	23,135	825
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	177,743	42,705	220,448	212,312	8,136
Other Purchased Services (400-500 series)	2,152,371	(382,602)	1,769,769	981,794	787,975
General Supplies	514,910	4,606	519,516	410,708	108,808
Textbooks	105,865	(5,600)	100,265	58,498	41,767
Other Objects	52,140	2,400	54,540	34,534	20,006
Total Regular Programs - Instruction	17,050,534	(372,632)	16,677,902	15,418,144	1,259,758
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	249,271	(25,760)	223,511	221,256	2,255
Other Salaries for Instruction	74,023	45,000	119,023	118,611	412
General Supplies	5,968	622	6,590	2,999	3,591
Textbooks	3,977	(2,423)	1,554	1,554	
Total Learning and/or Language Disabilities	333,239	17,439	350,678	344,420	6,258

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Behavioral Disabilities:					
Salaries of Teachers	\$ 483,009	\$ 119,960	\$ 602,969	\$ 600,183	\$ 2,786
Other Salaries for Instruction	64,603		64,603	36,249	28,354
General Supplies	26,418	(4,000)	22,418	21,307	1,111
Textbooks	513		513	407	106
Total Behavioral Disabilities	574,543	115,960	690,503	658,146	32,357
Resource Room/Resource Center:					
Salaries of Teachers	1,601,172	20,100	1,621,272	1,575,883	45,389
Other Salaries for Instruction	319,626	51,100	370,726	340,017	30,709
General Supplies	1,000	500	1,500	1,500	
Total Resource Room/Resource Center	1,921,798	71,700	1,993,498	1,917,400	76,098
Home Instruction:					
Salaries of Teachers	25,000	6,500	31,500	30,800	700
Purchased Professional - Educational Services	10,000		10,000	130	9,870
Total Home Instruction	35,000	6,500	41,500	30,930	10,570
Total Special Education Instruction	2,864,580	211,599	3,076,179	2,950,896	125,283

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 19,200		\$ 19,200	\$ 18,720	\$ 480
Total Bilingual Education - Instruction	19,200		19,200	18,720	480
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	440,000	\$ (8,600)	431,400	378,823	52,577
Purchased Services (300-500 series)	12,150	(1,000)	11,150	4,804	6,346
Supplies and Materials	60,225	(3,250)	56,975	39,159	17,816
Other Objects	26,500	3,250	29,750	29,596	154
Total School-Sponsored Cocurricular Activities - Instruction	538,875	(9,600)	529,275	452,382	76,893
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,005,604	95,000	1,100,604	1,053,961	46,643
Purchased Services (300-500 series)	319,465	(1,400)	318,065	283,775	34,290
Supplies and Materials	126,021	10,001	136,022	128,392	7,630
Other Objects	76,330	(10,000)	66,330	45,798	20,532
Total School-Sponsored Cocurricular Athletics - Instruction	1,527,420	93,601	1,621,021	1,511,926	109,095
Total Instruction	22,000,609	(77,032)	21,923,577	20,352,068	1,571,509

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 207,027	\$ 1	\$ 207,028	\$ 171,249	\$ 35,779
Tuition to County Vocational Schools - Regular	845,910	(50,000)	795,910	724,163	71,747
Tuition to County Vocational Schools - Special	109,044	58,821	167,865	147,996	19,869
Tuition to County Special Services Schools and Regional Day Schools	714,156	98,205	812,361	753,681	58,680
Tuition to Private Schools for the Disabled - Within the State	1,255,514	(167,705)	1,087,809	647,106	440,703
Tuition to Private Schools for the Disabled and Other LEAs - Special - Outside the State	139,684		274,684	175,209	99,475
Tuition - Other	365,703	15,000	380,703	376,760	3,943
Total Undistributed Expenditures - Instruction	<u>3,637,038</u>	<u>(45,678)</u>	<u>3,726,360</u>	<u>2,996,164</u>	<u>730,196</u>
Attendance and Social Work Services:					
Salaries	48,819		48,819	48,819	
Purchased Professional and Technical Services	65,000		65,000		65,000
Total Attendance and Social Work Services	<u>113,819</u>		<u>113,819</u>	<u>48,819</u>	<u>65,000</u>
Health Services:					
Salaries	207,746	7,080	214,826	213,848	978
Other Purchased Services (400-500 series)	47,500	(1,800)	45,700	25,673	20,027
Supplies and Materials	5,877		5,877	4,860	1,017
Total Health Services	<u>261,123</u>	<u>5,280</u>	<u>266,403</u>	<u>244,381</u>	<u>22,022</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Speech, OT, PT and Related Services:					
Salaries	\$ 77,600		\$ 77,600	\$ 77,600	
Purchased Professional - Educational Services	69,886	\$ 33,575	103,461	93,237	\$ 10,224
Total Speech, OT, PT and Related Services	147,486	33,575	181,061	170,837	10,224
Other Support Services - Students - Extraordinary Services:					
Salaries	167,754	(66,000)	101,754	99,242	2,512
Purchased Professional - Educational Services	334,212	35,925	370,137	305,295	64,842
Total Other Support Services - Students - Extraordinary Services	501,966	(30,075)	471,891	404,537	67,354
Guidance:					
Salaries of Other Professional Staff	1,394,238	3,670	1,397,908	1,376,945	20,963
Salaries of Secretarial and Clerical Assistants	226,908	1,030	227,938	227,937	1
Other Purchased Services (400-500 series)	73,800	(2,160)	71,640	16,309	55,331
Supplies and Materials	10,450	(643)	9,807	7,656	2,151
Other Objects	28,128	(600)	27,528	26,827	701
Total Guidance	1,733,524	1,297	1,734,821	1,655,674	79,147

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 814,420	\$ (86,200)	\$ 728,220	\$ 723,056	\$ 5,164
Salaries of Secretarial and Clerical Assistants	118,044		118,044	117,744	300
Purchased Professional - Educational Services	100,845	3,443	104,288	97,327	6,961
Supplies and Materials	12,487	(1,816)	10,671	7,945	2,726
Other Supplies	10,650		10,650	385	10,265
Total Child Study Teams	1,056,446	(84,573)	971,873	946,457	25,416
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,393,363		1,393,363	1,358,916	34,447
Salaries of Secretarial and Clerical Assistants	46,335	4,000	50,335	49,948	387
Salaries of Facilitators, Math & Literacy Coaches	82,000	4,500	86,500	8,165	78,335
Other Purchased Services (400-500 series)	47,176		47,176	13,722	33,454
Other Objects	14,501		14,501	13,267	1,234
Total Improvement of Instructional Services	1,583,375	8,500	1,591,875	1,444,018	147,857
Educational Media Services/School Library:					
Salaries	297,123	700	297,823	297,722	101
Purchased Professional and Technical Services	4,400		4,400	4,400	
Supplies and Materials	66,256		66,256	60,888	5,368
Total Educational Media Services/School Library	367,779	700	368,479	358,610	9,869

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 172,003	\$ 7,000	\$ 179,003	\$ 178,650	\$ 353
Salaries of Other Professional Staff	87,432	(48,500)	38,932	27,373	11,559
Salaries of Secretarial and Clerical Assistants	58,122		58,122	58,072	50
Purchased Professional - Educational Services	106,150		106,150	87,551	18,599
Other Purchased Services (400-500 series)	69,350	(825)	68,525	48,147	20,378
Supplies and Materials	13,000		13,000	8,243	4,757
Other Objects	41,000	4,825	45,825	45,804	21
Total Instructional Staff Training Services	547,057	(37,500)	509,557	453,840	55,717
Support Services - General Administration:					
Salaries	455,936	(1,500)	454,436	450,560	3,876
Legal Services	75,000		75,000	70,180	4,820
Audit Fees	50,000		50,000	44,000	6,000
Architectural/Engineering Services	45,000	90,000	135,000	90,369	44,631
Other Purchased Professional Services	3,500		3,500	3,500	
Communications/Telephone	40,000		40,000	35,073	4,927
BOE Other Purchased Services	8,000		8,000	2,421	5,579
Miscellaneous Purchased Services (400-500 series)	111,500		111,500	75,643	35,857
General Supplies	10,000		10,000	521	9,479
Miscellaneous Expenditures	133,150		133,150	127,665	5,485
BOE Membership Dues and Fees	20,800		20,800	19,481	1,319
Total Support Services - General Administration	952,886	88,500	1,041,386	915,913	125,473

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 954,970	\$ 22,500	\$ 977,470	\$ 976,396	\$ 1,074
Salaries of Secretarial and Clerical Assistants	394,046		394,046	330,081	63,965
Other Purchased Services (400-500 series)	34,004	(884)	34,004	21,143	12,861
Supplies and Materials	19,000		18,116	13,104	5,012
Other Objects	1,050		1,050		1,050
Total Support Services - School Administration	<u>1,403,070</u>	<u>21,616</u>	<u>1,424,686</u>	<u>1,340,724</u>	<u>83,962</u>
Central Services:					
Salaries	678,161	(80,877)	597,284	576,839	20,445
Purchased Professional Services	45,850	(13,490)	32,360	14,098	18,262
Purchased Technical Services	25,000	(13,510)	11,490	11,490	
Miscellaneous Purchased Services (400-500 series)	26,031	27,001	53,032	40,289	12,743
Supplies and Materials	10,000	(2,348)	7,652	7,183	469
Miscellaneous Expenditures	10,500	300	10,800	8,680	2,120
Total Central Services	<u>795,542</u>	<u>(82,924)</u>	<u>712,618</u>	<u>658,579</u>	<u>54,039</u>
Administration Information Technology:					
Salaries	343,785	11,350	355,135	353,584	1,551
Other Purchased Services (400-500 series)	15,500		15,500	13,968	1,532
Supplies and Materials	42,750	(2,500)	40,250	26,685	13,565
Total Administration Information Technology	<u>402,035</u>	<u>8,850</u>	<u>410,885</u>	<u>394,237</u>	<u>16,648</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Required Maintenance for School Facilities:					
Salaries	\$ 406,747	\$ 127,839	\$ 534,586	\$ 511,422	\$ 23,164
Cleaning, Repair and Maintenance Services	709,576	(177,269)	532,307	139,868	392,439
General Supplies	92,205		92,205	91,891	314
Total Required Maintenance for School Facilities	1,208,528	(49,430)	1,159,098	743,181	415,917
Custodial Services:					
Salaries	1,564,109	(20,193)	1,543,916	1,468,211	75,705
Purchased Professional and Technical Services	37,500		37,500	35,499	2,001
Cleaning, Repair and Maintenance Services	60,850	(800)	60,050	20,135	39,915
Rental of Land and Building	10,650	42,500	53,150	46,101	7,049
Other Purchased Property Services	55,720	7,805	63,525	62,446	1,079
Insurance	195,000	500	195,500	194,868	632
Miscellaneous Purchased Services	175,300	(1,700)	173,600	152,833	20,767
General Supplies	107,600	78,700	186,300	155,508	30,792
Energy (Natural Gas)	336,000	(29,805)	306,195	166,774	139,421
Energy (Electricity)	758,500	(22,000)	736,500	478,938	257,562
Other Objects	15,800	3,600	19,400	16,391	3,009
Total Custodial Services	3,317,029	58,607	3,375,636	2,797,704	577,932

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care & Upkeep of Grounds:					
Salaries	\$ 59,634	\$ 31	\$ 59,665	\$ 58,790	\$ 875
Cleaning, Repair and Maintenance Services	112,250		112,250	59,273	52,977
General Supplies	28,225		28,225	25,460	2,765
Total Care & Upkeep of Grounds	200,109	31	200,140	143,523	56,617
Security:					
Salaries	141,750	14,250	156,000	155,987	13
Cleaning, Repair and Maintenance Services	39,950		39,950	19,093	20,857
General Supplies	10,750		10,750	2,453	8,297
Total Security	192,450	14,250	206,700	177,533	29,167
Student Transportation Services:					
Salaries of Non-Instructional Aides	10,000		10,000	6,591	3,409
Salaries for Pupil Transportation:					
Between Home and School - Regular	64,996		64,996	64,996	
Cleaning, Repair and Maintenance Services	6,500		6,500	4,280	2,220
Contracted Services:					
Between Home and School - Vendors	580,780	(34,201)	546,579	540,371	6,208
Other Than Between Home and School - Vendors	389,575		389,575	365,168	24,407
Special Education Students - Joint Agreements	695,422	(5,620)	689,802	689,802	
Aid in Lieu - Nonpublic Students	100,776		100,776	98,703	2,073
General Supplies	750		750	750	
Transportation Supplies	5,000		5,000	1,787	3,213
Total Student Transportation Services	1,853,799	(39,821)	1,813,978	1,771,698	42,280

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 605,000		\$ 605,000	\$ 595,057	\$ 9,943
Other Retirement Contributions - PERS	650,000		650,000	567,557	82,443
Other Retirement Contributions - Regular	10,000		10,000	6,951	3,049
Unemployment Compensation	30,000		30,000		30,000
Workmen's Compensation	242,860		242,860	192,347	50,513
Health Benefits	5,443,237		5,443,237	4,713,268	729,969
Tuition Reimbursement	76,200		76,200	54,577	21,623
Other Employee Benefits	164,257		164,257	94,729	69,528
Unused Sick Payment to Terminated/Retired Staff	81,772		81,772	47,175	34,597
Total Unallocated Benefits	<u>7,303,326</u>		<u>7,303,326</u>	<u>6,271,661</u>	<u>1,031,665</u>
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions				1,819,688	(1,819,688)
On-Behalf TPAF Pension Contributions				2,107,542	(2,107,542)
On-Behalf TPAF Non-Contributory Insurance				76,361	(76,361)
On-Behalf TPAF Long-Term Disability Insurance				4,164	(4,164)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,472,371	(1,472,371)
Total On-Behalf Contributions				<u>5,480,126</u>	<u>(5,480,126)</u>
Total Personal Services - Employee Benefits	<u>7,303,326</u>		<u>7,303,326</u>	<u>11,751,787</u>	<u>(4,448,461)</u>
Total Undistributed Expenses	<u>27,578,387</u>	<u>\$ (128,795)</u>	<u>27,584,592</u>	<u>29,418,216</u>	<u>(1,833,624)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>49,578,996</u>	<u>(205,827)</u>	<u>49,508,169</u>	<u>49,770,284</u>	<u>(262,115)</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 11,000	2,218	2,218	2,218	733
School-Sponsored and Other Instructional Programs			11,000	10,267	\$
Undistributed Expenditures:					
Central Services		2,048	2,048	2,048	
Administrative Information Technology		200,884	200,884	133,444	67,440
Required Maintenance for School Facilities		170,800	170,800	170,800	
Custodial Services	11,250	2,295	13,545	13,385	160
Care and Upkeep of Grounds	6,750	5,169	11,919	10,999	920
Total Equipment	29,000	383,414	412,414	172,361	240,053
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	107,623	270,000	377,623	180,746	196,877
Construction Services	3,988,974	(270,000)	3,718,974	1,137,141	2,581,833
Assessment for Debt Service on SDA Funding	106,363		106,363	106,363	
Total Facilities Acquisition and Construction Services	4,202,960		4,202,960	1,424,250	2,778,710
TOTAL CAPITAL OUTLAY	4,231,960	383,414	4,615,374	1,596,611	3,018,763
TOTAL EXPENDITURES	53,810,956	177,587	54,123,543	51,366,895	2,756,648
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,242,056)	(177,587)	(6,554,643)	3,001,693	9,556,336

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):					
Capital Projects Fund - Interest Earned				\$ 7,183	\$ 7,183
Return of Funds from Capital Projects Fund to Capital Reserve				162,273	162,273
Total Other Financing Sources/(Uses)				169,456	169,456
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	\$ (6,242,056)	\$ (177,587)	\$ (6,554,643)	3,171,149	9,725,792
Fund Balance, July 1	12,937,372		12,937,372	12,937,372	
Fund Balance, June 30	\$ 6,695,316	\$ (177,587)	\$ 6,382,729	\$ 16,108,521	\$ 9,725,792
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 2,490,593	
Excess Surplus - Designated for Subsequent Year's Expenditures				2,339,750	
Capital Reserve				6,203,481	
Maintenance Reserve				153,000	
Emergency Reserve				256,250	
Assigned Fund Balance:					
Year-End Encumbrances				3,295,375	
Unassigned Fund Balance				1,370,072	
Fund Balance per Governmental Funds (Budgetary)				16,108,521	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(32,067)	
Fund Balance per Governmental Funds (GAAP)				\$ 16,076,454	

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 220,030	\$ 257,240	\$ 477,270	\$ 477,249	\$ (21)
Slate Sources	447,155	(150,003)	297,152	248,227	(48,925)
Local Sources		19,779	19,779	15,366	(4,413)
Total Revenues	667,185	127,016	794,201	740,842	(53,359)
EXPENDITURES:					
Instruction:					
Salaries	16,608	(16,608)			
Purchased Professional/Technical Services	4,954	(1,954)	3,000		3,000
Tuition	319,354	67,476	386,830	386,830	
General Supplies	28,913	(11,241)	17,672	9,307	8,365
Textbooks	21,584	(949)	20,635	13,702	6,933
Other Objects		1,425	1,425		1,425
Total Instruction	391,413	38,149	429,562	409,839	19,723
Support Services:					
Salaries	13,401	4,235	17,636	17,636	
Personal Services - Employee Benefits	5,342	166	5,508	5,508	
Purchased Professional/Educational Services	234,426	61,429	295,855	268,843	27,012
Other Purchased Professional and Technical Services		1,299	1,299		1,299
Supplies and Materials	22,603	21,738	44,341	39,016	5,325
Total Support Services	275,772	88,867	364,639	331,003	33,636
Total Expenditures	667,185	127,016	794,201	740,842	53,359
Excess of Revenues Over Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 54,368,588	\$ 740,842
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	52,707	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(32,067)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 54,389,228	\$ 740,842
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 51,366,895	\$ 740,842
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 51,366,895	\$ 740,842

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

Budgets/Budgetary Control:

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

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

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

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

	No Child Left Behind Title II, Part A	IDEA Part B, Basic Regular	NJ Nonpublic	
			Auxiliary Services (Chapter 192)	Security Aid
REVENUE:				
Federal Sources	\$ 23,144	\$ 454,105		
State Sources			\$ 69,335	\$ 23,650
Local Sources				
Total Revenue	23,144	454,105	69,335	23,650
EXPENDITURES:				
Instruction:				
Salaries				
Other Purchased Services (400-500 Series)		386,830		
General Supplies				
Textbooks				
Total Instruction		386,830		
Support Services:				
Salaries	17,636			
Personal Services - Employee Benefits	5,508			
Purchased Professional/Educational Services		67,275	69,335	23,650
Supplies and Materials				
Total Support Services	23,144	67,275	69,335	23,650
Total Expenditures	\$ 23,144	\$ 454,105	\$ 69,335	\$ 23,650

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

	NJ Nonpublic			
	Handicapped Services (Chapter 193)			
	Supplementary Instruction	Examination and Classification	Corrective Speech	Nursing Services
REVENUE:				
Federal Sources				
State Sources	\$ 47,160	\$ 41,796	\$ 707	\$ 42,570
Local Sources				
Total Revenue	47,160	41,796	707	42,570
EXPENDITURES:				
Instruction:				
Salaries				
Other Purchased Services (400-500 Series)				
General Supplies				
Textbooks				
Total Instruction				
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional/Educational Services	47,160	41,796	707	42,570
Supplies and Materials				
Other Objects				
Total Support Services	47,160	41,796	707	42,570
Total Expenditures	\$ 47,160	\$ 41,796	\$ 707	\$ 42,570

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

	NJ Nonpublic		Other		Totals
	Technology Initiative	Textbooks	Local Grants	Grants	June 30, 2017
REVENUE:					
Federal Sources					\$ 477,249
State Sources	9,307	\$ 13,702			248,227
Local Sources			\$ 15,366		15,366
Total Revenue	9,307	13,702	15,366		740,842
EXPENDITURES:					
Instruction:					
Other Purchased Services (400-500 Series)					386,830
General Supplies	9,307				9,307
Textbooks		13,702			13,702
Total Instruction	9,307	13,702			409,839
Support Services:					
Salaries					17,636
Personal Services - Employee Benefits					5,508
Purchased Professional/Educational Services					268,843
Supplies and Materials				15,366	39,016
Total Support Services				15,366	331,003
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	9,307	13,702	\$ 15,366		\$ 740,842

CAPITAL PROJECTS FUND

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

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ (36,647)
Transfer from Capital Reserve	(162,273)
Interest Revenue	7,183
	<hr/>
Total Revenue and Other Financing Sources	(191,737)
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	(224)
Construction Services	6,010
Transfers Out:	
General Fund - Interest Earned	7,183
	<hr/>
Total Expenditures and Other Financing Uses	12,969
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(204,706)
Fund Balance - Beginning	1,049,418
Fund Balance - Ending	<hr/> <hr/> \$ 844,712
Recapitulation:	
Committed Fund Balance	\$ 784,518
Restricted Fund Balance	60,194
	<hr/>
	844,712
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grant Revenue Not Recognized on the GAAP Basis	(633,840)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 210,872
	<hr/> <hr/>
Reconciliation of Revenue from Budgetary Basis to GAAP Basis:	
SDA Grant Revenue (Budgetary Basis)	\$ (36,647)
SDA Grants are recognized as revenue on the Budgetary Basis when awarded but are not recognized on the GAAP Basis until expended and submitted for reimbursement.	36,647
	<hr/>
SDA Grant Revenue (GAAP Basis)	<hr/> <hr/> \$ -0-

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCT AND EQUIP ADDITIONS AND RENOVATIONS TO BOTH HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 11,543,555		\$ 11,543,555	\$ 11,543,555
Bond Proceeds and Transfers	30,723,000		30,723,000	30,723,000
Transfer from Capital Outlay	240		240	240
Total Revenue and Other Financing Sources	42,266,795	\$ -0-	42,266,795	42,266,795
Expenditures:				
Legal Services	98,474		98,474	98,474
Purchased Professional and Technical Services	3,947,503		3,947,503	3,947,503
Land and Improvements	207,919		207,919	207,919
Construction Services	37,309,883		37,309,883	37,460,934
Equipment Purchases	203,996		203,996	113,139
Other Objects	438,826		438,826	438,826
Total Expenditures	42,206,601		42,206,601	42,266,795
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 60,194	\$ -0-	\$ 60,194	\$ -0-

Additional Project Information:

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
A WING HVAC CONTROLS UPGRADE AT PASCACK HILLS 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>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 37,023		\$ 37,023	\$ 37,023
Transfer from Capital Reserve	70,535	\$ (3,121)	67,414	67,414
Total Revenue and Other Financing Sources	107,558	(3,121)	104,437	104,437
Expenditures:				
Legal Services	2,062		2,062	2,062
Purchased Professional and Technical Services	11,100		11,100	11,100
Construction Services	91,275		91,275	91,275
Total Expenditures	104,437		104,437	104,437
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 3,121</u>	<u>\$ (3,121)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-040-14-1001
SDA Project Number(s)	3960-040-14-G1FR
Grant Date	06/09/14
Original Authorized Cost	\$ 92,558
Change Orders	\$ 11,879
Revised Authorized Cost	\$ 104,437
Change Order Percentage	12.83%
Percentage Completion	100.00%
Original Target Completion Date	10/15/15
Revised Target Completion Date	10/15/16

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
A WING WINDOW REPLACEMENT AT PASCACK HILLS 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>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 284,376		\$ 284,376	\$ 284,376
Transfer from Capital Reserve	426,564		426,564	426,564
Total Revenue and Other Financing Sources	<u>710,940</u>		<u>710,940</u>	<u>710,940</u>
Expenditures:				
Legal Services	969		969	2,500
Purchased Professional and Technical Services	38,600		38,600	72,640
Construction Services	291,073	\$ 6,010	297,083	635,800
Total Expenditures	<u>330,642</u>	<u>6,010</u>	<u>336,652</u>	<u>710,940</u>
Transfer to A-Wing HVAC Controls Update	<u>(82,160)</u>		<u>(82,160)</u>	
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 298,138</u>	<u>\$ (6,010)</u>	<u>\$ 292,128</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-040-14-1002
SDA Project Number(s)	3960-040-14-G1FS
Grant Date	06/09/14
Original Authorized Cost	\$ 710,940
Change Orders	\$ -0-
Revised Authorized Cost	\$ 710,940
Change Order Percentage	0.00%
Percentage Completion	47.35%
Original Target Completion Date	6/30/16
Revised Target Completion Date	6/30/17

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
D WING WINDOW REPLACEMENT AT PASCACK HILLS 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>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 221,400	\$ (36,647)	\$ 184,753	\$ 184,753
Transfer from Capital Reserve	332,100	(54,972)	277,128	277,128
Total Revenue and Other Financing Sources	<u>553,500</u>	<u>(91,619)</u>	<u>461,881</u>	<u>461,881</u>
Expenditures:				
Legal Services	2,714		2,714	2,714
Purchased Professional and Technical Services	24,200		24,200	24,200
Construction Services	434,967		434,967	434,967
Total Expenditures	<u>461,881</u>		<u>461,881</u>	<u>461,881</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 91,619</u>	<u>\$ (91,619)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-040-14-1003
SDA Project Number(s)	3960-040-14-G1FT
Grant Date	06/09/14
Original Authorized Cost	\$ 553,500
Change Orders	\$ (91,619)
Revised Authorized Cost	\$ 461,881
Change Order Percentage	-16.55%
Percentage Completion	100.00%
Original Target Completion Date	10/31/15
Revised Target Completion Date	10/31/16

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
54-56 WING WINDOW REPLACEMENT AT PASCACK VALLEY 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>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 211,806		\$ 211,806	\$ 211,806
Transfer from Capital Reserve	317,709		317,709	317,709
Total Revenue and Other Financing Sources	<u>529,515</u>		<u>529,515</u>	<u>529,515</u>
Expenditures:				
Legal Services	533		533	2,500
Purchased Professional and Technical Services	34,200	\$ (224)	33,976	53,465
Construction Services	456,731		456,731	473,550
Total Expenditures	<u>491,464</u>	<u>(224)</u>	<u>491,240</u>	<u>529,515</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 38,051</u>	<u>\$ 224</u>	<u>\$ 38,275</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-050-14-1004
SDA Project Number(s)	3960-050-14-G1FU
Grant Date	06/09/14
Original Authorized Cost	\$ 529,515
Change Orders	\$ -0-
Revised Authorized Cost	\$ 529,515
Change Order Percentage	0.00%
Percentage Completion	92.77%
Original Target Completion Date	10/31/15
Revised Target Completion Date	10/31/17

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
72 WING WINDOW REPLACEMENT AT PASCACK VALLEY 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>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 158,838		\$ 158,838	\$ 158,838
Transfer from Capital Reserve	238,256		238,256	238,256
Total Revenue and Other Financing Sources	<u>397,094</u>		<u>397,094</u>	<u>397,094</u>
Expenditures:				
Legal Services	839		839	2,500
Purchased Professional and Technical Services	24,300		24,300	39,470
Construction Services				<u>355,124</u>
Total Expenditures	<u>25,139</u>		<u>25,139</u>	<u>397,094</u>
Transfer from PH A-Wing Window Replacement	<u>82,160</u>		<u>82,160</u>	
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 454,115</u>	<u>\$ -0-</u>	<u>\$ 454,115</u>	<u>\$ -0-</u>
Additional Project Information:				
DOE Project Number(s)	3960-050-14-1005			
SDA Project Number(s)	3960-050-14-G1FV			
Grant Date	06/09/14			
Original Authorized Cost	\$ 397,094			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 397,094			
Change Order Percentage	0.00%			
Percentage Completion	6.33%			
Original Target Completion Date	6/30/16			
Revised Target Completion Date	6/30/18			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
GIRL'S LOCKER ROOM AND CLASSROOM RENOVATION AT PASCACK VALLEY 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>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,060,828	\$ (104,180)	\$ 956,648	\$ 956,648
Total Revenue and Other Financing Sources	<u>1,060,828</u>	<u>(104,180)</u>	<u>956,648</u>	<u>956,648</u>
Expenditures:				
Legal Services	1,943		1,943	1,943
Purchased Professional and Technical Services	60,112		60,112	60,112
Construction Services	894,593		894,593	894,593
Total Expenditures	<u>956,648</u>		<u>956,648</u>	<u>956,648</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 104,180</u>	<u>\$ (104,180)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	3960-050-14-2000			
Grant Date	06/09/14			
Original Authorized Cost	\$ 1,060,828			
Change Orders	\$ (104,180)			
Revised Authorized Cost	\$ 956,648			
Change Order Percentage	-9.82%			
Percentage Completion	100.00%			
Original Target Completion Date	11/15/15			
Revised Target Completion Date	11/15/16			

PROPRIETARY FUNDS

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Non-Major Funds			Total	Major Fund	Enterprise
	Food Service	Transportation	Park Academy		Region II Transportation	Fund Totals
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 56,524		\$ 635,541	\$ 692,065		\$ 692,065
Interfund Receivable - General Fund					\$ 69,209	69,209
Accounts Receivable:						
Intergovernmental - Other		\$ 27,837	12,900	40,737	1,007,011	1,047,748
Other	467			467		467
Inventories	6,829			6,829		6,829
Total Current Assets	63,820	27,837	648,441	740,098	1,076,220	1,816,318
Non-Current Assets:						
Capital Assets	292,424			292,424		292,424
Less: Accumulated Depreciation	(204,996)			(204,996)		(204,996)
Total Non-Current Assets	87,428			87,428		87,428
Total Assets	151,248	27,837	648,441	827,526	1,076,220	1,903,746
DEFERRED OUTFLOWS OF RESOURCES						
Changes in Assumptions - Pensions			83,920	83,920	251,761	335,681
Difference between Expected and Actual Experience - Pensions			7,534	7,534	22,602	30,136
Net Difference between projected and actual investment earnings on Pension Plan Investments			15,448	15,448	46,343	61,791
Changes in Proportions - Pensions			12,482	12,482	37,445	49,927
District Contribution Subsequent to the Measurement Date - Pensions			13,531	13,531	40,592	54,123
Total Deferred Outflows of Resources			132,915	132,915	398,743	531,658
LIABILITIES						
Current Liabilities:						
Interfund Payable - General Fund	247,000	12,370	1,415	260,785	950,328	1,211,113
Accounts Payable - Vendors	18,461		2,027	20,488	55,316	75,804
Accounts Payable - State			13,531	13,531	40,592	54,123
Unearned Revenue	10,123	15,467		25,590	28,617	54,207
Noncurrent Liabilities:						
Net Pension Liability			405,125	405,125	1,215,375	1,620,500
Total Liabilities	275,584	27,837	422,098	725,519	2,290,228	3,015,747
NET POSITION						
Investment in Capital Assets	87,428			87,428		87,428
Unrestricted/(Deficit)	(211,764)		359,258	147,494	(815,265)	(667,771)
Total Net Position/(Deficit)	\$ (124,336)	\$ -0-	\$ 359,258	\$ 234,922	\$ (815,265)	\$ (580,343)

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

	Non-Major Funds				Major Fund		Enterprise Fund Totals	
	Region II		Park Academy	Transportation	Totals	Region II Transportation		
	Food Service	Summer School						
Operating Revenue:								
Charges for Services:								
Daily Sales - Non-Reimbursable Programs	\$ 809,715				\$ 809,715		\$ 809,715	
Special Events	12,918				12,918		12,918	
Free Lunch Subsidized Charges and Fees	35,505				35,505		35,505	
	\$	40,916	\$	101,996	\$	1,101,812	\$	4,947,142
Total Operating Revenue	858,138	40,916	958,900	101,996	1,959,950	4,947,142	6,907,092	
Operating Expenses:								
Cost of Sales - Non-Reimbursable Programs	417,301				417,301		417,301	
Salaries	321,760	34,169	495,010		850,939	1,332,033	2,182,972	
Employee Benefits	19,565	2,613	165,674		187,852	294,541	482,393	
Purchased Services	104,283	3,500	64,331	101,996	274,110	842,182	1,116,292	
Contracted Services			1,382		1,382	2,590,885	2,592,267	
Supplies and Materials	36,396	634	11,983		49,013	4,163	53,176	
Depreciation Expense	7,815		60,000		7,815		7,815	
Rent			19,605		19,605	3,059	60,000	
Miscellaneous							22,664	
Total Operating Expenses	907,120	40,916	817,985	101,996	1,868,017	5,066,863	6,934,880	
Operating Income/(Loss)	(48,982)		140,915		91,933	(119,721)	(27,788)	
Non-Operating Revenue:								
Interest Revenue	298				298		298	
Settlement								
Total Non-Operating Revenue	298				298		298	
Net Income/(Loss) Before Operating Transfers	(48,684)		140,915		92,231	(119,721)	(27,490)	
Transfers								
Change in Net Position	(48,684)		140,915		92,231	(119,721)	(27,490)	
Net Position/(Deficit) - Beginning of Year - Restated	(75,652)		218,343		142,691	(695,544)	(552,853)	
Net Position/(Deficit) - End of Year	\$ (124,336)	\$ -0-	\$ 359,258	\$ -0-	\$ 234,922	\$ (815,265)	\$ (580,343)	

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Non-Major Funds				Major Fund		Enterprise Fund Totals
	Region II		Transportation	Park Academy	Region II Transportation	Totals	
	Food Service	Summer School					
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 825,087	\$ 40,916	\$ 78,393	\$ 1,005,228	\$ 1,949,624	\$ 4,865,801	\$ 6,815,425
Receipts from District	35,505				35,505		35,505
Payments to Employees		(34,169)		(495,010)	(529,179)	(1,242,397)	(1,771,576)
Payments for Employee Benefits		(2,613)		(135,795)	(138,408)	(294,541)	(432,949)
Payments for Services		(3,500)	(101,996)	(76,773)	(182,269)	(3,474,618)	(3,656,887)
Payments for Rent				(60,000)	(60,000)		(60,000)
Payments to Food Service Vendor	(862,307)				(862,307)		(862,307)
Payments to Suppliers	(14,112)	(634)		(31,588)	(46,334)	(7,222)	(53,556)
Net Cash Provided by/(Used for) Operating Activities	(15,827)		(23,603)	206,062	166,632	(152,977)	13,655
Cash Flows from Investing Activities:							
Interest Income	298				298		298
Net Cash Provided by Investing Activities	298				298		298
Cash Flows from Noncapital Financing Activities:							
Interfund Advanced - General Fund	75,000		12,370	1,415	88,785	152,977	241,762
Net Cash Provided by/(Used for) Noncapital Financing Activities	75,000		12,370	1,415	88,785	152,977	241,762
Cash Flows from Capital and Related Financing Activities:							
Purchase of Capital Assets	(13,138)				(13,138)		(13,138)
Net Cash Used for Capital and Related Financing Activities	(13,138)				(13,138)		(13,138)
Net Increase/(Decrease) in Cash and Cash Equivalents	46,333		(11,233)	207,477	242,577		242,577
Cash and Cash Equivalents, July 1	10,191		11,233	428,064	449,488		449,488
Cash and Cash Equivalents, June 30	\$ 56,524	\$ -0-	\$ -0-	\$ 635,541	\$ 692,065	\$ -0-	\$ 692,065
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:							
Operating Income/(Loss)	\$ (48,982)	\$ -0-	\$ -0-	\$ 140,915	\$ 91,933	\$ (119,721)	\$ (27,788)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:							
Depreciation	7,815				7,815		7,815
Changes in Assets and Liabilities:							
(Increase)/Decrease in Accounts Receivable	173		(27,837)	46,328	18,664	(73,172)	(54,508)
(Increase)/Decrease in Inventory	4,425				4,425		4,425
(Increase) in Change in Assumptions				(51,202)	(51,202)	(153,608)	(204,810)
Increase in Difference between Expected and Actual Experience				(266)	(266)	(798)	(1,064)
Increase/(Decrease) in Investment Gains - Pensions				(20,346)	(20,346)	(61,038)	(81,384)
(Increase)/Decrease in Changes in Proportion - Pensions				1,225	1,225	3,676	4,901
Increase/(Decrease) in Pension Liability				100,468	100,468	301,404	401,872
Increase/(Decrease) in Accounts Payable	18,461			(11,060)	7,401	(41,551)	(34,150)
Increase/(Decrease) in Unearned Revenue	2,281		4,234		6,515	(8,169)	(1,654)
Net Cash Provided by/(Used for) Operating Activities	\$ (15,827)	\$ -0-	\$ (23,603)	\$ 206,062	\$ 166,632	\$ (152,977)	\$ 13,655

FIDUCIARY FUNDS

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Student Activity	Agency			Total	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
		Payroll	Professional Development	E-Learning				
ASSETS								
Cash and Cash Equivalents	\$ 353,666	\$ 93,135	\$ 28	\$ 162,354	\$ 609,183	\$ 97,325	\$ 189,651	
Investments	40,753			40,753			76,563	
Other Receivables						\$ 5,607		
Total Assets	394,419	93,135	28	162,354	649,936	97,325	266,214	
LIABILITIES								
Interfund Payable:								
General Fund		18,009	28		18,037			
Payroll Deductions and Withholdings		75,126			75,126			
Due to Student Groups	394,419				394,419			
E-Learning				162,354	162,354			
Total Liabilities	394,419	93,135	28	162,354	649,936			
NET POSITION								
Held in Trust for:								
Unemployment Claims						97,325		
Flexible Spending Claims							266,214	
Restricted for Scholarships								
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 97,325	\$ 266,214	

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

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Member	\$ 81,346	\$ 23,593	
Other			\$ 9,061
Total Contributions	<u>81,346</u>	<u>23,593</u>	<u>9,061</u>
Investment Earnings:			
Interest	<u>330</u>		<u>813</u>
Net Investment Earnings	<u>330</u>		<u>813</u>
Total Additions	<u>81,676</u>	<u>23,593</u>	<u>9,874</u>
DEDUCTIONS:			
Quarterly Contribution Reports	52,564		
Flexible Spending Claims		41,931	
Scholarships Awarded			<u>11,450</u>
Total Deductions	<u>52,564</u>	<u>41,931</u>	<u>11,450</u>
Change in Net Position	29,112	(18,338)	(1,576)
Net Position - Beginning of the Year	<u>68,213</u>	<u>23,945</u>	<u>267,790</u>
Net Position - End of the Year	<u>\$ 97,325</u>	<u>\$ 5,607</u>	<u>\$ 266,214</u>

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 284,815	\$ 1,060,401	\$ 991,550	\$ 353,666
Investments	40,586	167		40,753
Total Assets	<u>\$ 325,401</u>	<u>\$ 1,060,568</u>	<u>\$ 991,550</u>	<u>\$ 394,419</u>
LIABILITIES:				
Due to Student Groups	<u>\$ 325,401</u>	<u>\$ 1,060,568</u>	<u>\$ 991,550</u>	<u>\$ 394,419</u>
Total Liabilities	<u>\$ 325,401</u>	<u>\$ 1,060,568</u>	<u>\$ 991,550</u>	<u>\$ 394,419</u>

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
High Schools:				
Pascack Hills Activities	\$ 134,389	\$ 472,393	\$ 439,354	\$ 167,428
Pascack Hills Athletics	8,808	68,382	77,100	90
Pascack Valley Activities	177,848	443,694	398,751	222,791
Pascack Valley Athletics	4,356	76,099	76,345	4,110
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	<u>\$ 325,401</u>	<u>\$ 1,060,568</u>	<u>\$ 991,550</u>	<u>\$ 394,419</u>

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 228,255	\$33,260,147	\$33,395,267	\$ 93,135
Total Assets	<u>\$ 228,255</u>	<u>\$33,260,147</u>	<u>\$33,395,267</u>	<u>\$ 93,135</u>
LIABILITIES:				
Interfund Payable:				
General Fund	\$ 16,009	\$ 2,000		\$ 18,009
Payroll Deductions and Withholdings	212,246	\$33,258,147	33,395,267	75,126
Total Liabilities	<u>\$ 228,255</u>	<u>\$33,260,147</u>	<u>\$33,395,267</u>	<u>\$ 93,135</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROFESSIONAL DEVELOPMENT COSTS AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>
Total Assets	<u><u>\$ 28</u></u>	<u><u>\$ 28</u></u>	<u><u>\$ 28</u></u>	<u><u>\$ 28</u></u>
 LIABILITIES:				
Interfund Payable		\$ 28		\$ 28
Professional Development Costs	<u>\$ 28</u>	<u> </u>	<u>\$ 28</u>	<u> </u>
Total Liabilities	<u><u>\$ 28</u></u>	<u><u>\$ 28</u></u>	<u><u>\$ 28</u></u>	<u><u>\$ 28</u></u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
E-LEARNING AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 190,145	\$ 128,689	\$ 156,480	\$ 162,354
Total Assets	<u>\$ 190,145</u>	<u>\$ 128,689</u>	<u>\$ 156,480</u>	<u>\$ 162,354</u>
LIABILITIES:				
E-Learning Costs	\$ 190,145	\$ 128,689	156,480	\$ 162,354
Total Liabilities	<u>\$ 190,145</u>	<u>\$ 128,689</u>	<u>\$ 156,480</u>	<u>\$ 162,354</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2016	Retired/Matured	Balance June 30, 2017
			Date	Amount				
School Refunding Bonds	11/01/12	\$ 8,710,000	08/15/17	\$ 1,305,000	3.000%			
			08/15/18	1,350,000	3.000%			
			08/15/19	1,400,000	3.000%			
			08/15/20	1,450,000	3.000%			
			08/15/21	1,505,000	3.000%			
			08/15/22	1,565,000	3.000%	\$ 8,610,000	\$ 35,000	\$ 8,575,000
School Refunding Bonds	02/26/13	12,335,000	08/15/23	1,650,000	4.000%			
			08/15/24	1,720,000	4.000%			
			08/15/25	1,805,000	4.000%			
			08/15/26	1,880,000	4.000%			
			08/15/27	1,965,000	4.000%			
			08/15/28	2,050,000	4.000%	12,290,000	1,220,000	11,070,000
					\$ 20,900,000	\$ 1,255,000	\$ 19,645,000	

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOT APPLICABLE

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,973,875		\$ 1,973,875	\$ 1,973,875	
Total Revenues	<u>1,973,875</u>		<u>1,973,875</u>	<u>1,973,875</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	718,875		718,875	718,875	
Redemption of Principal	1,255,000		1,255,000	1,255,000	
Total Regular Debt Service	<u>1,973,875</u>		<u>1,973,875</u>	<u>1,973,875</u>	
Total Expenditures	<u>1,973,875</u>		<u>1,973,875</u>	<u>1,973,875</u>	
Excess/(Deficit) of Revenues Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 18,049,771	\$ 17,799,822	\$ 18,662,942	\$ 18,522,299	\$ 17,368,051	\$ 20,558,959	\$ 17,413,349	\$ 22,153,918	\$ 24,083,408	\$ 27,647,329
Special Education	2,694,886	2,499,184	2,789,331	3,620,154	3,621,058	3,436,296	3,610,323	4,337,466	4,734,414	5,381,126
Other Special Instruction	1,598	635	2,242					20,467	11,870	15,290
Other Instruction	1,702,518	1,776,634	1,909,687	2,215,217	2,331,477	2,428,660	2,425,827	2,690,357	2,815,096	3,150,367
Support Services:										
Tuition	2,256,889	2,363,094	2,413,892	2,063,727	1,973,523	2,303,026	2,438,356	2,566,495	2,675,799	2,996,164
Student & Instruction Related Services	6,647,232	6,357,319	6,301,186	6,726,057	6,538,289	7,136,392	7,433,012	8,071,758	8,477,083	9,522,818
General Administrative Services	940,215	891,731	914,052	835,620	1,128,278	969,838	891,617	1,109,752	1,162,045	1,284,224
School Administrative Services	1,402,397	1,513,852	1,734,721	1,683,322	1,736,237	1,701,922	1,768,137	1,851,421	1,968,372	2,139,765
Central Services	896,910	557,092	621,175	570,202	688,662	732,019	737,628	923,446	1,204,022	1,113,406
Administration Information Technology		354,603	359,340	429,278	740,536	606,281	648,873	665,291	712,352	799,177
Plant Operations and Maintenance	4,151,628	3,821,228	3,923,799	3,703,306	4,195,624	4,870,496	4,555,728	5,856,064	5,213,221	5,761,088
Pupil Transportation	1,584,187	1,624,356	1,813,479	1,663,499	1,643,515	1,653,207	1,604,132	1,771,462	1,673,964	1,830,454
Special Schools	1,000									
Interest on Temporary Note	185,865									
Interest on Long-term Debt	1,156,916	1,125,599	1,089,086	1,070,182	1,036,136	1,145,348	771,338	771,332	724,279	685,675
Capital Outlay	1,344,570	435,502	89,905	28,110				813,635		2,335
Unallocated Depreciation			109,616	1,163,238	321,435	320,817	802,498	802,498	3,800,000	3,846,995
Disposal of Capital Assets									8,667,419	
Total Governmental Activities Expenses	43,016,582	41,120,651	42,624,837	43,130,973	43,322,821	47,863,261	45,100,818	54,405,362	67,923,344	66,176,213
Business-type Activities:										
Food Service	815,718	820,000	861,055	891,012	945,980	944,770	1,006,835	965,990	911,442	907,120
Park Academy					650,376	661,405	728,124	585,055	735,147	817,985
Region II Transportation	5,614,784	5,958,156	5,891,856	4,439,850	3,833,892	3,731,661	3,738,667	3,972,383	4,644,105	5,052,011
Region II Administration	632,209	470,569	512,514	570,032	471,231	485,210	479,069	531,632		
Region II Summer School	39,404	40,334	41,314	29,539	29,192	30,446	28,921	34,883	36,367	40,916
Transportation	155,527	162,987	137,333	126,769	125,094	117,538	119,706	101,648	100,033	101,996
Total Business-type Activities Expenses	7,257,642	7,452,046	7,444,072	6,057,202	6,055,765	5,971,030	6,101,322	6,191,591	6,427,094	6,920,028

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Total District Expenses	\$ 50,274,224	\$ 48,572,697	\$ 50,068,909	\$ 49,188,175	\$ 49,378,586	\$ 53,834,291	\$ 51,202,140	\$ 60,596,953	\$ 74,350,438	\$ 73,096,241
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	127,005	153,035	121,063	295,888	322,372	514,615	523,008	477,831	630,780	966,246
Operating Grants and Contributions	5,994,221	4,891,308	4,741,047	3,995,540	5,161,539	5,928,996	5,454,526	10,542,252	12,509,362	16,752,380
Capital Grants and Contributions			612,872	816,410	195,059	616,766		276,215	181,124	
Total Governmental Activities Program Revenues	6,121,226	5,044,343	5,474,982	5,107,838	5,678,970	7,060,377	5,977,534	11,296,298	13,321,266	17,718,626
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	796,298	835,609	887,330	933,755	942,051	924,405	956,330	826,567	863,292	858,138
Park Academy					646,201	816,438	760,663	524,781	939,902	958,900
Region II Transportation	5,614,784	5,958,156	5,891,856	4,435,596	3,831,849	3,731,661	3,738,667	3,972,383	4,667,464	4,890,331
Region II Administration	632,209	470,569	512,514	574,286	473,274	485,210	479,069	522,952		
Region II Summer School	39,404	40,334	41,314	29,539	29,192	30,446	28,921	34,883	36,367	40,916
Transportation	155,527	163,896	136,424	126,769	125,094	117,538	119,706	101,648	100,033	101,996
Total Business-Type Activities Revenues	7,238,222	7,468,564	7,469,438	6,099,945	6,047,661	6,105,698	6,083,356	5,983,214	6,607,058	6,850,281
Total District Program Revenues	13,359,448	12,512,907	12,944,420	11,207,783	11,726,631	13,166,075	12,060,890	17,279,512	19,928,324	24,568,907
Net (Expense)/Revenue										
Governmental Activities	(36,895,356)	(36,076,308)	(37,149,855)	(38,023,135)	(37,643,851)	(40,802,884)	(39,123,284)	(43,109,064)	(54,602,078)	(48,457,587)
Business-Type Activities	(19,420)	16,518	25,366	42,743	(8,104)	134,668	(17,966)	(208,377)	179,964	(69,747)
Total District-Wide Net (Expense)/Revenue	(36,914,776)	(36,059,790)	(37,124,489)	(37,980,392)	(37,651,955)	(40,668,216)	(39,141,250)	(43,317,441)	(54,422,114)	(48,527,334)

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET ASSETS, LAST TEN FISCAL YEARS

(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 35,979,512	\$ 36,442,436	\$ 37,896,490	\$ 39,995,215	\$ 40,699,097	\$ 41,513,079	\$ 42,343,341	\$ 43,190,207	\$ 44,403,138	\$ 45,910,355
Taxes Levied for Debt Service	1,896,127	1,988,652	1,993,464	1,990,196	2,009,376	2,029,152	1,949,124	1,961,788	1,915,010	1,973,875
Unrestricted Grants and Contributions	336,793	285,576	161,664	12,938		28,883	31,466	31,308	31,308	
Investment Earnings	286,672	82,974	51,356		21,787	36,246	35,002	17,128		35,828
Miscellaneous Income	83,167	8,707	217,222	218,609	279,516	167,946	192,711	201,137	254,875	430,162
Cancellation of Prior Year Accounts Payable			(16,579)							
Cancellation of SDA Grant Receivable		(295,726)								
Total Governmental Activities	38,582,271	38,512,619	40,303,617	42,216,958	43,009,776	43,775,306	44,551,644	45,401,568	46,604,331	48,350,220
Business-Type Activities:										
Investment Earnings	2,886	807	652	1,172	799	929	841	236	315	298
Contributed Capital	(5,204)									
Transfers					146,327					
Total Business-Type Activities	(2,318)	807	652	1,172	147,126	929	841	236	315	298
Total District-Wide	38,579,953	38,513,426	40,303,617	42,218,130	43,156,902	43,776,235	44,552,485	45,401,804	46,604,646	48,350,518
Change in Net Position										
Governmental Activities	1,686,915	2,436,311	3,153,762	4,193,823	5,365,925	2,972,422	5,428,360	2,292,504	(7,997,747)	(107,367)
Business-Type Activities	(21,738)	17,325	25,366	43,915	139,022	135,597	(17,125)	(208,141)	180,279	(69,449)
Total District	\$ 1,665,177	\$ 2,453,636	\$ 3,179,128	\$ 4,237,738	\$ 5,504,947	\$ 3,108,019	\$ 5,411,235	\$ 2,084,363	\$ (7,817,468)	\$ (176,816)

Source: School District Financial Reports.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved/Restricted	\$ 3,557,729	\$ 3,539,914	\$ 3,628,582	\$ 1,955,530	\$ 4,431,163	\$ 6,978,406	\$ 7,689,270	\$ 9,938,967	\$ 10,432,538	\$ 11,443,074
Assigned				2,456,715	1,194,532	1,171,022	1,087,016	419,303	1,261,999	3,295,375
Unassigned				1,099,326	1,062,976	1,088,577	1,070,041	1,181,938	1,190,128	1,338,005
Unreserved	799,948	1,324,433	1,318,773							
Total General Fund	\$ 4,357,677	\$ 4,864,347	\$ 4,947,355	\$ 5,511,571	\$ 6,688,671	\$ 9,238,005	\$ 9,846,327	\$ 11,540,208	\$ 12,884,665	\$ 16,076,454
All Other Governmental Funds:										
Reserved/Restricted:										
Capital Projects Fund			\$ 22,251	\$ 80,401	\$ 80,401	\$ 80,401	\$ 60,194	\$ 60,194	\$ 60,194	\$ 60,194
Debt Service Fund				4,426	1	51,515	51,515	51,515		
Committed:										
Capital Projects Fund				1,344,612	1,074,741	540,573	2,626,606	421,913	318,737	150,678
Unreserved/(Deficit), Reported in:										
Capital Projects Fund		\$ (455,638)	(194,002)							
Debt Service Fund	\$ (10,864)	16,681	21,107							
Designated for Subsequent Year Expenditures	(124,482)									
Total All Other Governmental Funds	\$ (135,346)	\$ (438,957)	\$ (150,644)	\$ 1,429,439	\$ 1,155,143	\$ 672,489	\$ 2,738,315	\$ 533,622	\$ 378,931	\$ 210,872
Total Governmental Funds:										
Reserved/Restricted	\$ 3,557,729	\$ 3,539,914	\$ 3,628,582	\$ 1,955,530	\$ 4,511,564	\$ 7,110,322	\$ 7,800,979	\$ 10,050,676	\$ 10,492,732	\$ 11,503,268
Committed				540,573			2,626,606	421,913	318,737	150,678
Assigned				1,171,022			1,087,016	419,303	1,261,999	3,295,375
Unassigned				1,088,577			1,070,041	1,181,938	1,190,128	1,338,005
Unreserved	664,602	1,341,114	1,339,880							
Total Governmental Funds	\$ 4,222,331	\$ 4,881,028	\$ 4,968,462	\$ 1,955,530	\$ 4,511,564	\$ 9,910,494	\$ 12,584,642	\$ 12,073,830	\$ 13,263,596	\$ 16,287,326

Source: School District Financial Reports.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 37,875,639	\$ 38,431,088	\$ 39,889,954	\$ 41,985,411	\$ 42,708,473	\$ 43,542,231	\$ 44,292,465	\$ 45,151,995	\$ 46,318,148	\$ 47,884,230
Tuition Charges	127,005	153,035	121,063	295,888	322,372	514,615	523,008	477,831	630,780	966,246
Interest Earnings	286,672	82,974	51,356		21,787	36,246	35,002	19,571	13,137	
Miscellaneous	83,167	8,707	217,222	218,609	279,516	168,446	192,883	201,137	249,375	445,528
State Sources	6,112,809	4,655,441	4,880,911	3,752,696	4,504,179	6,073,118	4,977,616	5,915,362	6,567,476	7,268,540
Federal Sources	218,205	521,443	634,672	1,072,192	852,419	501,027	508,204	557,103	516,918	546,584
Total Revenues	44,703,497	43,852,688	45,795,178	47,324,796	48,688,746	50,835,683	50,529,178	52,322,999	54,295,834	57,111,128
Expenditures										
Instruction:										
Regular Instruction	12,654,804	13,637,196	14,019,761	14,416,575	14,333,194	14,142,908	14,676,557	15,744,893	16,319,697	15,704,881
Special Education Instruction	1,768,953	1,838,882	2,003,618	2,869,948	2,843,148	2,615,280	2,744,073	2,954,641	3,205,945	3,405,001
Other Special Instruction	538	635								
Other Instruction	1,432,055	1,521,626	1,616,780	1,769,748	1,860,630	1,870,262	1,944,375	1,958,522	1,949,168	1,983,028
Support Services:										
Tuition	2,256,889	2,363,094	2,413,892	2,063,727	1,973,523	2,303,026	2,438,356	2,566,495	2,675,799	2,996,164
Student & Instruction Related Services	5,351,314	5,287,961	5,291,708	5,168,587	5,006,271	5,369,768	5,739,316	5,677,900	5,488,597	5,727,173
General Administrative Services	858,592	817,930	790,919	762,557	833,063	813,090	755,350	871,596	886,713	915,913
School Administrative Services	960,537	1,122,454	1,386,710	1,250,659	1,285,902	1,273,194	1,305,123	1,346,991	1,369,105	1,340,724
Central Services	771,051	476,297	498,832	478,820	517,068	539,381	557,996	639,900	756,329	658,579
Administration Information Technology		311,877	311,222	242,994	502,713	392,633	415,667	372,732	382,838	394,237
Plant Operations and Maintenance	3,378,853	3,367,788	3,439,687	3,472,257	3,220,196	3,492,398	3,759,144	4,538,424	3,827,715	3,861,941
Pupil Transportation	1,569,477	1,610,284	1,790,889	1,643,627	1,623,185	1,630,332	1,582,662	1,738,123	1,634,186	1,771,698
Unallocated Benefits	8,414,117	6,522,364	7,181,805	8,013,696	8,503,929	9,446,887	9,056,471	9,450,304	10,562,438	11,751,787

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenditures										
Special Schools	\$ 1,000									
Capital Outlay	4,963,255	\$ 2,486,863	\$ 3,016,187	\$ 5,957,007	\$ 3,269,319	\$ 7,793,195	\$ 930,816	\$ 3,011,502	\$ 2,081,013	\$ 1,602,397
Debt Service:										
Principal	725,000	845,000	880,000	925,000	965,000	1,015,000	1,115,000	1,155,000	1,205,000	1,255,000
Interest and Other Charges	1,356,991	1,143,652	1,113,464	1,081,877	1,048,801	962,638	834,124	806,788	761,525	718,875
Total Expenditures	46,463,426	43,353,903	45,755,474	50,117,079	47,785,942	53,659,992	47,855,030	52,833,811	53,106,068	54,087,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,759,929)	498,785	39,704	(2,792,283)	902,804	(2,824,309)	2,674,148	(510,812)	1,189,766	3,023,730
Other Financing Sources (Uses)										
Cancellation of SDA Grant Receivable		(295,726)		(16,579)						
Cancellation of Accounts Payable				348,196	4,936,583	4,890,989				
Capital Leases	1,387,248									
Transfers In	175,000	27,545	1,462,626	1,701,088	1,692,045	1,142,435	2,520,024	632,176	7,387	169,456
Transfers Out	(175,000)	(27,545)	(1,462,626)	(1,701,088)	(1,692,045)	(1,142,435)	(2,520,024)	(632,176)	(7,387)	(169,456)
Total Other Financing Sources (Uses)	1,387,248	(295,726)	331,617	4,936,583	-0-	4,890,989	-0-	-0-	-0-	-0-
Net Change in Fund Balances	\$ (372,681)	\$ 203,059	\$ 371,321	\$ 2,144,300	\$ 902,804	\$ 2,066,680	\$ 2,674,148	\$ (510,812)	\$ 1,189,766	\$ 3,023,730
Debt Service as a Percentage of Noncapital Expenditures	5.28%	5.12%	4.89%	4.76%	4.74%	4.51%	4.33%	4.10%	4.01%	3.91%

Source: School District Financial Reports.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2008	\$ 111,672	\$ 127,005	\$ 4,650	\$ 78,517	\$ 321,844
2009	66,293	153,035	4,200	4,507	228,035
2010	51,356	121,063	8,546	204,250	385,215
2011	52,344	295,888	6,632	155,400	510,264
2012	19,952	322,372	6,525	272,991	621,840
2013	30,411	514,615	10,175	157,771	712,972
2014	37,833	523,008	6,775	175,973	743,589
2015	7,000	477,831	3,600	197,537	685,968
2016	5,750	630,780	11,966	229,772	878,268
2017	7,000	966,246	4,180	411,799	1,389,225

Source: Pascack Valley Regional High School District records.

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

BOROUGH OF HILLSDALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2007	\$ 12,213,500	\$ 1,819,107,700	\$ 1,865,800	\$ 13,100	\$ 108,183,300	\$ 14,315,500	\$ 1,995,300	\$ 1,957,694,200	\$ 151,132,300	\$ 6,745,700	\$ 1,964,439,900	0.46	\$ 1,955,372,182
2008	12,449,200	1,818,907,400	745,000	13,100	107,676,500	14,315,500	1,995,300	1,956,102,000	151,688,000	7,462,332	1,963,564,332	0.45	1,984,787,186
2009	12,081,100	1,821,722,900	745,000	13,100	109,531,700	14,315,500	1,995,300	1,960,404,600	152,331,200	7,084,084	1,967,488,684	0.46	2,058,164,361
2010	16,589,400	1,816,609,300	745,000	13,100	109,531,700	14,315,500	1,995,300	1,959,799,300	152,871,600	8,382,930	1,968,182,230	0.51	2,058,164,361
2011	15,864,900	1,816,573,400	745,000	13,100	108,901,100	13,747,600	1,995,300	1,957,840,400	153,960,400	8,579,677	1,966,420,077	0.53	1,952,438,002
2012	15,382,100	1,809,213,560	745,000	13,100	106,992,800	13,747,600	1,995,300	1,948,089,460	153,491,400	8,428,811	1,956,518,271	0.54	1,893,124,566
2013	* 11,462,800	1,543,338,400	676,200	12,200	97,389,700	12,029,100	4,959,700	1,669,868,100	140,637,400	6,484,341	1,676,552,441	0.65	1,760,985,490
2014	10,606,300	1,543,881,100	621,800	12,200	97,025,800	12,029,100	4,959,700	1,669,136,000	140,724,900	5,466,941	1,674,602,941	0.65	1,810,828,300
2015	10,606,300	1,544,839,900	621,800	12,200	96,902,400	12,029,100	4,959,700	1,669,971,400	140,595,200	5,459,352	1,675,430,752	0.68	1,778,154,309
2016	10,541,400	1,547,451,500	621,800	12,200	96,611,800	12,029,100	4,959,700	1,672,227,500	140,242,900	5,840,947	1,678,068,447	0.68	1,812,873,041

BOROUGH OF MONTVALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2007	\$ 66,723,300	\$ 1,613,870,800	\$ 2,246,000	\$ 37,600	\$ 589,973,300	\$ 13,075,000	\$ 14,553,000	\$ 2,300,479,000	\$ 110,482,100	\$ 2,561,681	\$ 2,303,040,681	0.38	\$ 2,097,531,237
2008	51,808,600	1,641,992,200	2,246,000	37,600	603,707,200	13,075,000	18,753,000	2,331,619,600	110,077,700	2,959,566	2,334,579,166	0.41	2,164,252,522
2009	35,927,700	1,684,771,100	2,246,000	37,600	599,708,200	13,075,000	18,753,000	2,354,518,600	110,100,700	2,814,962	2,357,333,562	0.42	2,271,988,152
2010	30,721,300	1,699,843,800	2,246,000	37,600	589,788,400	13,075,000	18,753,000	2,354,465,100	110,026,100	3,948,799	2,358,413,899	0.44	2,271,988,152
2011	42,391,100	1,711,031,500	2,246,000	37,600	587,625,400	11,339,100	18,753,000	2,373,423,700	110,478,700	2,961,081	2,376,384,781	0.44	2,300,568,569
2012	30,625,900	1,727,073,100	2,246,000	37,600	582,231,700	11,339,100	18,753,000	2,372,306,400	111,007,100	2,939,324	2,375,245,724	0.46	2,280,590,779
2013	* 21,928,800	1,374,516,300	1,939,100	32,400	581,097,200	11,044,100	17,653,000	2,008,210,900	112,457,100	2,735,012	2,010,945,912	0.56	2,177,618,311
2014	25,314,100	1,375,114,800	1,939,100	32,400	576,034,600	11,044,100	17,653,000	2,007,132,100	112,110,400	2,166,301	2,009,298,401	0.59	2,272,470,680
2015	20,981,500	1,393,297,000	1,939,100	32,400	609,601,400	11,044,100	17,653,000	2,053,648,500	112,110,400	2,513,505	2,056,162,005	0.63	2,261,833,469
2016	40,981,600	1,400,530,900	1,939,100	18,000	562,631,600	11,044,100	17,653,000	2,034,798,300	115,930,000	2,467,175	2,037,265,475	0.66	2,288,500,542

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

b - Tax rates are per \$100.

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

* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2007	\$ 14,660,850	\$ 937,134,067	\$ 714,000	\$ -	\$ 44,232,950	\$ -	\$ 5,219,700	\$ 1,001,961,567	\$ 36,750,300	\$ 487,641	\$ 1,002,449,208	0.97	\$ 2,144,817,497
2008	* 27,018,600	1,958,207,600	1,791,500	-	103,944,500	-	13,034,700	2,103,996,900	91,265,600	1,409,778	2,105,406,678	0.47	2,357,792,210
2009	30,596,900	1,956,094,500	1,791,500	-	101,944,500	-	13,034,700	2,103,462,100	92,009,600	1,512,178	2,104,974,278	0.47	2,230,833,059
2010	30,632,200	1,963,018,600	1,791,500	-	104,445,700	-	13,034,700	2,112,922,700	92,396,700	220,618	2,113,143,318	0.47	2,230,833,059
2011	27,416,700	1,969,780,400	-	-	70,900,800	-	13,034,700	2,081,132,600	123,482,200	1,600,551	2,082,733,151	0.49	2,075,161,024
2012	28,687,500	1,961,429,200	-	-	76,456,600	-	13,034,700	2,079,608,000	125,283,200	1,527,724	2,081,135,724	0.51	2,043,697,829
2013	24,311,200	1,961,259,300	-	-	75,786,600	-	13,034,700	2,074,391,800	125,265,600	1,480,772	2,075,872,572	0.52	1,984,989,947
2014	22,643,800	1,953,627,700	-	-	71,333,700	-	13,034,700	2,060,639,900	127,962,100	1,330,849	2,061,970,749	0.53	1,939,589,744
2015	17,521,400	1,964,693,300	-	-	71,128,200	-	13,034,700	2,066,377,600	126,791,200	1,351,396	2,067,728,996	0.58	1,956,461,720
2016	15,375,500	1,974,406,900	-	-	70,235,800	-	13,034,700	2,073,052,900	127,037,000	1,344,095	2,074,396,995	0.58	2,047,995,196

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2007	\$ 20,990,400	\$ 1,205,649,800	\$ 930,800	\$ 5,600	\$ 374,512,000	\$ -	\$ -	\$ 1,602,088,600	\$ 57,086,800	\$ 1,357,095	\$ 1,603,445,695	0.55	\$ 2,170,444,682
2008	16,806,600	1,218,110,700	930,800	6,400	415,187,600	-	-	1,651,042,100	58,224,900	1,584,879	1,652,626,979	0.60	2,245,069,011
2009	16,008,200	1,226,381,100	930,800	6,400	460,623,700	-	-	1,703,950,200	55,563,000	1,648,608	1,705,598,808	0.61	2,269,801,638
2010	16,806,600	1,218,110,700	930,800	6,400	415,187,600	-	-	1,651,042,100	58,224,900	1,584,879	1,652,626,979	0.65	2,245,069,011
2011	14,696,900	1,233,145,100	930,800	6,400	454,682,800	-	-	1,703,462,000	57,760,400	1,723,119	1,705,185,119	0.68	2,183,926,392
2012	24,756,000	1,277,784,100	1,225,400	6,600	542,447,400	-	-	1,846,219,500	68,044,300	1,723,119	1,847,942,619	0.62	1,969,565,261
2013	21,415,000	1,279,611,400	1,003,600	6,600	526,614,400	-	-	1,828,651,000	67,849,500	1,902,495	1,830,553,495	0.61	1,999,384,529
2014	14,430,300	1,293,849,200	1,003,600	6,600	473,997,500	-	-	1,783,287,200	67,303,700	1,488,377	1,784,775,577	0.63	1,924,752,204
2015	12,987,200	1,368,240,000	1,042,900	6,600	512,114,400	-	-	1,894,391,100	67,622,700	1,777,846	1,896,168,946	0.60	1,965,379,073
2016	12,723,700	1,387,553,500	1,061,300	6,600	517,184,700	-	-	1,918,529,800	68,458,300	1,781,755	1,920,311,555	0.60	1,935,004,044

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

b - Tax rates are per \$100.

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

* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

BOROUGH OF HILLSDALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt	Total Direct	Borough of Hillsdale	Borough of Hillsdale	Bergen County	
		Service ^b			Public Schools		
2007	* \$ 0.43	\$ 0.02	\$ 0.46	\$ 0.35	\$ 0.79	\$ 0.18	\$ 1.78
2008	0.43	0.02	0.45	0.39	0.83	0.18	1.85
2009	0.44	0.02	0.46	0.40	0.86	0.20	1.93
2010	0.49	0.02	0.51	0.42	0.91	0.20	2.04
2011	0.51	0.02	0.53	0.43	0.95	0.20	2.11
2012	0.51	0.02	0.54	0.44	0.97	0.21	2.16
2013	* 0.62	0.03	0.65	0.49	1.19	0.24	2.57
2014	0.62	0.03	0.65	0.54	1.17	0.25	2.61
2015	0.65	0.03	0.68	0.55	1.13	0.26	2.62
2016	0.65	0.03	0.68	0.55	1.22	0.26	2.71

BOROUGH OF MONTVALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt	Total Direct	Borough of Montvale	Borough of Montvale	Bergen County	
		Service ^b			Public Schools		
2007	\$ 0.36	\$ 0.02	\$ 0.38	\$ 0.38	\$ 0.53	\$ 0.16	\$ 1.45
2008	0.39	0.02	0.41	0.39	0.55	0.16	1.51
2009	0.40	0.02	0.42	0.41	0.56	0.18	1.57
2010	0.42	0.02	0.44	0.43	0.57	0.18	1.63
2011	0.42	0.02	0.44	0.45	0.59	0.20	1.68
2012	0.44	0.02	0.46	0.46	0.60	0.21	1.73
2013	* 0.54	0.02	0.56	0.56	0.73	0.25	2.10
2014	0.56	0.04	0.59	0.58	0.75	0.26	2.18
2015	0.60	0.03	0.63	0.58	0.73	0.26	2.20
2016	0.63	0.03	0.66	0.59	0.75	0.26	2.26

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

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

* - Property revaluation became effective in this year.

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

Source: Municipal Tax Collectors and School Business Administrator.

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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt		Township of River Vale	Township of River Vale		
		Service ^b	Total Direct		Public Schools	Bergen County	
2007	\$ 0.92	\$ 0.05	\$ 0.97	\$ 0.78	\$ 1.71	\$ 0.39	\$ 3.85
2008	* 0.45	0.02	0.47	0.39	0.83	0.20	1.89
2009	0.45	0.02	0.47	0.41	0.86	0.20	1.95
2010	0.45	0.02	0.47	0.43	0.90	0.20	2.00
2011	0.46	0.02	0.49	0.70	0.87	0.23	2.29
2012	0.49	0.02	0.51	0.48	0.96	0.22	2.17
2013	0.50	0.02	0.52	0.50	0.99	0.22	2.23
2014	0.51	0.02	0.53	0.50	1.02	0.22	2.27
2015	0.56	0.02	0.58	0.53	1.01	0.23	2.35
2016	0.56	0.02	0.58	0.55	1.05	0.24	2.42

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt		Borough of Woodcliff Lake	Borough of Woodcliff Lake Public Schools		
		Service ^b	Total Direct		Bergen County		
2007	\$ 0.52	\$ 0.03	\$ 0.55	\$ 0.44	\$ 0.74	\$ 0.24	\$ 1.97
2008	0.57	0.03	0.60	0.44	0.75	0.24	2.05
2009	0.58	0.03	0.61	0.45	0.75	0.26	2.08
2010	0.62	0.03	0.65	0.47	0.77	0.27	2.18
2011	0.65	0.03	0.68	0.50	0.80	0.26	2.24
2012	0.59	0.03	0.62	0.49	0.74	0.23	2.08
2013	0.58	0.03	0.61	0.51	0.77	0.24	2.13
2014	0.60	0.03	0.63	0.52	0.81	0.25	2.21
2015	0.58	0.02	0.60	0.51	0.76	0.25	2.12
2016	0.57	0.02	0.60	0.51	0.79	0.25	2.14

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

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

* - Property revaluation became effective in this year.

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

Source: Municipal Tax Collectors and School Business Administrator.

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

BOROUGH OF HILLSDALE

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
New Creek LLC	\$ 11,522,700	1	0.69%			
Crossroads- Hillsdale Association	9,126,400	2	0.54%			
New Jersey Bell	5,459,352	3	0.33%	\$ 3,110,147	4	0.37%
Edgewood Country Club, Inc.	3,069,400	4	0.18%	1,239,400	9	0.15%
Pavonia Equities, LP	3,008,100	5	0.18%			
Marsala Enterprises	2,651,000	6	0.16%	2,297,100	5	0.27%
Golden Orchard Assoc., LP	2,621,200	7	0.16%			
100 Park Ave Assoc LLC	2,560,000	8	0.15%			
Bank of America	2,200,000	9	0.13%	1,242,200	8	0.15%
North Bergen County Corp	1,907,100	10	0.11%			
Prima II LLC				4,631,100	1	0.55%
Cuzson Assoc. % Insera Supermarkets				4,414,300	2	0.52%
USA Waste c/o Waste Management				3,732,500	3	0.44%
Jack Ely Real Estate LLC				1,652,300	6	0.19%
RL Investors				1,580,000	7	0.19%
Hiller & Skoglund Land Associates				1,225,700	10	0.14%
Total	\$ 44,125,252		2.63%	\$ 25,124,747		2.97%

BOROUGH OF MONTVALE

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
KPMG Peat Marwick	\$ 54,785,700	1	2.69%	\$ 48,735,000	1	2.12%
Terraza 18, LLC	38,015,900	2	1.87%			
MSKCC Properties, LLC	35,991,100	3	1.77%			
Two Paragon Associates	26,296,100	4	1.29%	29,900,000	2	1.30%
Grand Prix Montvale	20,900,000	5	1.03%			
Mercedes Benz	18,850,000	6	0.93%	21,700,000	4	0.94%
LSREF4 Rebound, LLC	17,853,100	7	0.88%			
A. Sanzari Enterprises	17,653,000	8	0.87%			
Benjamin Moore & Co.	16,000,000	9	0.79%	18,500,000	5	0.80%
Mercedes Benz	14,295,000	10	0.70%			
Western Union Financial c/o First Data				18,000,000	7	0.78%
Prim Montvale LLC				18,400,000	6	0.80%
InKeepers USA Limited				18,012,400	8	0.78%
VV New Jersey				24,200,000	3	1.05%
One Paragon Associates				17,200,000	9	0.75%
50 Chestnut Ridge Associates, LLC				16,500,000	10	0.72%
Total	\$ 260,639,900		12.79%	\$ 231,147,400		10.04%

Note: Revaluations were effective for the Borough of Hillside and for the Borough of Montvale in the intervening years.

Source: Municipal Tax Assessors.

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

TOWNSHIP OF RIVER VALE

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Edgewood Country Club, Inc.	\$ 21,235,400	1	1.02%	\$ 9,749,300	3	1.04%
Gal-Ben Associates	7,672,000	2	0.37%	2,544,500	7	0.27%
River Vale Dev LLC	7,266,400	3	0.35%			
United Water Co of NJ	6,850,600	4	0.33%			
688 Westwood Ave LLC c/o V Luppino	5,548,200	5	0.27%			
Florentine, Inc.	5,187,100	6	0.25%			
Lindvale Gardens	4,875,400	7	0.24%	2478000	8	0.26%
SCH Rivervale, LLC	2,514,600	8	0.12%			
MWD River Vale One LLC	2,326,400	9	0.11%			
Lievich Management, LLC	2,157,200	10	0.10%			
United Water Company				18,412,250	1	1.96%
FBD Associates				11,756,900	2	1.25%
United Properties				5,742,400	4	0.61%
Sonrise, Inc.				3,378,700	5	0.36%
Village on the Green				2,627,500	6	0.28%
Pascack Valley Hospital				2,358,600	9	0.25%
Individual Taxpayer #1				1,538,600	10	0.16%
Total	\$ 65,633,300		3.16%	\$ 60,586,750		6.44%

BOROUGH OF WOODCLIFF LAKE

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
BMW of North America	\$ 119,994,000	1	6.25%	\$ 61,858,100	1	3.86%
400 Chestnut Realty, LLC	107,458,400	2		10,800,000	10	0.67%
Gramercy Property Trust	52,559,000	3	2.74%			
WS Tice's Corner Market Place	46,938,000	4	2.44%	30,700,400	6	1.91%
Brighton Norse Realty	29,264,200	5	1.52%			
CP Woodcliff Lakes LLC/Deloitte	25,680,000	6	1.34%			
Engle Burman - Ultimate Care	18,465,700	7	0.96%			
BACM 2005-3/Colliedrs/ste 110	17,531,000	8	0.91%			
BACM 2005-3/Colliedrs/ste 110	15,037,000	9	0.78%			
ALI Senior Living	11,499,700	10	0.60%			
300 Tice Realty Assoc LLC				42,477,800	2	2.65%
Mack-Cali Chestnut Ridge				41,993,400	3	2.62%
Deloitte & Touche				36,617,200	4	2.28%
BMW of North America				32,007,400	5	2.00%
The Great A&P				28,657,600	7	1.79%
IPC NY Properties, LLC				14,750,000	8	0.92%
Ridge Associates 11 C/O Chemtura Corp.				12,820,000	9	0.80%
Total	\$ 444,427,000		17.55%	\$ 312,681,900		19.50%

Note: A revaluation was effective for the Township of River Vale in 2008.

Source: Municipal Tax Assessors.

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

BOROUGH OF HILLSDALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 8,931,912	\$ 8,931,912	100.00%	-0-
2009	8,895,807	8,895,807	100.00%	-0-
2010	9,133,015	9,133,015	100.00%	-0-
2011	10,001,587	10,001,587	100.00%	-0-
2012	10,380,247	10,380,247	100.00%	-0-
2013	10,476,588	10,476,588	100.00%	-0-
2014	10,875,330	10,875,330	100.00%	-0-
2015	10,809,102	10,809,102	100.00%	-0-
2016	10,563,576	10,563,576	100.00%	-0-
2017	10,964,812	10,964,812	100.00%	-0-

BOROUGH OF MONTVALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 9,909,433	\$ 9,909,433	100.00%	-0-
2009	9,571,945	9,571,945	100.00%	-0-
2010	10,335,456	10,335,456	100.00%	-0-
2011	10,437,043	10,437,043	100.00%	-0-
2012	10,648,223	10,648,223	100.00%	-0-
2013	11,170,880	11,170,880	100.00%	-0-
2014	11,390,163	11,390,163	100.00%	-0-
2015	12,260,632	12,260,632	100.00%	-0-
2016	12,774,608	12,774,608	100.00%	-0-
2017	12,347,197	12,347,197	100.00%	-0-

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

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

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

TOWNSHIP OF RIVER VALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 9,065,118	\$ 9,065,118	100.00%	-0-
2008	9,413,686	9,413,686	100.00%	-0-
2009	9,766,440	9,766,440	100.00%	-0-
2010	9,933,482	9,933,482	100.00%	-0-
2011	9,930,100	9,930,100	100.00%	-0-
2012	10,116,618	10,116,618	100.00%	-0-
2013	10,673,670	10,673,670	100.00%	-0-
2014	10,787,475	10,787,475	100.00%	-0-
2015	11,002,982	11,002,982	100.00%	-0-
2016	11,564,508	11,564,508	100.00%	-0-
2017	11,570,402	11,570,402	100.00%	-0-

BOROUGH OF WOODCLIFF LAKE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 7,951,274	\$ 7,951,274	100.00%	-0-
2008	9,620,607	9,620,607	100.00%	-0-
2009	10,196,896	10,196,896	100.00%	-0-
2010	10,488,001	10,488,001	100.00%	-0-
2011	11,616,681	11,616,681	100.00%	-0-
2012	11,563,385	11,563,385	100.00%	-0-
2013	11,221,093	11,221,093	100.00%	-0-
2014	11,239,497	11,239,497	100.00%	-0-
2015	11,079,279	11,079,279	100.00%	-0-
2016	11,415,456	11,415,456	100.00%	-0-
2017	11,027,944	11,027,944	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Income ^a		
2008	\$ 17,736,609	\$ -0-	\$ 1,908,391	\$ 2,251,000	\$ -0-	\$ 21,896,000	0.99%	666.67	
2009	28,253,000	-0-	1,349,428	-0-	-0-	29,602,428	1.40%	894.41	
2010	27,373,000	-0-	1,015,428	-0-	-0-	28,388,428	1.33%	847.67	
2011	26,448,000	-0-	5,241,931	-0-	-0-	31,689,931	1.40%	941.16	
2012	25,483,000	-0-	3,009,995	-0-	-0-	28,492,995	1.20%	839.19	
2013	24,375,000	-0-	4,890,989	-0-	-0-	29,265,989	1.23%	855.98	
2014	23,260,000	-0-	2,576,018	-0-	-0-	25,836,018	1.02%	748.41	
2015	22,105,000	-0-	1,288,009	-0-	-0-	23,393,009	0.90%	670.79	
2016	20,900,000	-0-	-0-	-0-	-0-	20,900,000	0.80%	596.21	
2017	19,645,000	-0-	-0-	-0-	-0-	19,645,000	0.75%	560.41	

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

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

Source: School District Financial Reports.

PASCACK 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			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 17,736,609	-0-	\$ 17,736,609	0.212%	540.03
2009	28,253,000	-0-	28,253,000	0.323%	853.64
2010	27,373,000	-0-	27,373,000	0.310%	817.35
2011	26,448,000	-0-	26,448,000	0.300%	785.48
2012	25,483,000	-0-	25,483,000	0.299%	750.54
2013	24,375,000	-0-	24,375,000	0.298%	712.93
2014	23,260,000	-0-	23,260,000	0.294%	673.79
2015	22,105,000	-0-	22,105,000	0.278%	633.85
2016	20,900,000	-0-	20,900,000	0.263%	596.21
2017	19,645,000	-0-	19,645,000	0.243%	560.41

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

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

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

Source: School District Financial Reports.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Hillsdale	\$ 4,046,001	100.00%	\$ 4,046,001
Borough of Montvale	11,259,941	100.00%	11,259,941
Township of River Vale	18,688,871	100.00%	18,688,871
Borough of Woodcliff Lake	7,061,448	100.00%	7,061,448
Bergen County General Obligation Debt	1,205,030,344	4.77%	<u>57,534,561</u>
Subtotal, Overlapping Debt			98,590,823
Pascack Valley Regional High School District Direct Debt			<u>19,645,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 118,235,823</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

Year Ended December 31,	Borough of Hillsdale	Borough of Montvale	Township of River Vale	Borough of Woodcliff Lake	Total Equalized Valuation Basis
2014	\$ 1,768,339,867	\$ 2,200,320,215	\$ 1,947,122,650	\$ 2,008,432,481	\$ 7,924,215,213
2015	1,785,584,272	2,184,500,053	2,002,886,110	2,020,252,853	7,993,223,288
2016	1,787,018,555	2,223,617,878	1,998,886,620	1,987,302,541	7,996,825,594
	<u>\$ 3,571,069,112</u>	<u>\$ 4,463,858,200</u>	<u>\$ 3,895,640,215</u>	<u>\$ 3,978,112,576</u>	<u>\$ 23,914,264,095</u>
	Average Equalized Valuation of Taxable Property				<u>\$ 7,971,421,365</u>
	Debt Limit (3% of Average Equalization Value)				\$ 239,142,641 *
	Net Bonded School Debt				<u>19,645,000</u>
	Legal Debt Margin				<u>\$ 219,497,641</u>

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 249,363,315	\$ 244,177,897	\$ 240,607,906	\$ 239,019,034	\$ 239,142,641
Total Net Debt Applicable to Limit	24,375,000	23,260,000	22,105,000	20,900,000	19,645,000
Legal Debt Margin	<u>\$ 224,988,315</u>	<u>\$ 229,739,565</u>	<u>\$ 218,502,906</u>	<u>\$ 218,119,034</u>	<u>\$ 219,497,641</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.77%	9.98%	9.19%	8.74%	8.21%

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

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

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

BOROUGH OF HILLSDALE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2008	9,814	\$ 661,218,250	\$ 67,375	3.20%
2009	9,845	628,721,390	63,862	5.80%
2010	10,231	654,272,450	63,950	5.90%
2011	10,286	691,630,640	67,240	5.80%
2012	10,346	723,381,974	69,919	5.90%
2013	10,424	724,415,880	69,495	6.20%
2014	10,482	770,804,352	73,536	4.70%
2015	10,482	770,804,352	73,536 *	4.00%
2016	10,510 **	772,863,360 **	73,536 **	4.00%
2017	10,510 **	772,863,360 **	73,536 **	4.00%

BOROUGH OF MONTVALE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2008	7,523	\$ 506,862,125	\$ 67,375	3.20%
2009	7,636	487,650,232	63,862	5.80%
2010	7,853	502,199,350	63,950	6.00%
2011	7,896	530,927,040	67,240	5.90%
2012	7,959	556,485,321	69,919	6.00%
2013	8,020	557,349,900	69,495	5.70%
2014	8,148	599,171,328	73,536	4.70%
2015	8,442	620,790,912	73,536 *	3.90%
2016	8,506 **	625,497,216 **	73,536 **	3.90%
2017	8,506 **	625,497,216 **	73,536 **	3.90%

* - Latest Bergen County per capita personal income available (2016) was used for calculation purposes.

** - Latest Bergen County per capita personal income available (2015) and municipal population data available (2016) was used for calculation purposes.

N/A- Not Available

Source:

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

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

TOWNSHIP OF RIVER VALE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2008	9,593	\$ 646,328,375	\$ 67,375	2.70%
2009	9,655	616,587,610	63,862	4.80%
2010	9,670	618,396,500	63,950	4.90%
2011	9,723	653,774,520	67,240	4.90%
2012	9,821	686,674,499	69,919	4.90%
2013	9,916	689,112,420	69,495	7.80%
2014	10,021	736,904,256	73,536	4.30%
2015	10,033	760,993,017	75,849 *	4.00%
2016	10,148 **	769,715,652 **	75,849 **	3.80%
2017	10,148 **	769,715,652 **	75,849 **	3.80%

BOROUGH OF WOODCLIFF LAKE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2008	5,914	\$ 398,455,750	\$ 67,375	1.80%
2009	5,961	380,681,382	63,862	3.20%
2010	5,736	366,817,200	63,950	3.30%
2011	5,766	387,705,840	67,240	3.30%
2012	5,827	407,418,013	69,919	3.30%
2013	5,830	405,155,850	69,495	6.50%
2014	5,870	431,656,320	73,536	4.00%
2015	5,917	448,798,533	75,849 *	3.40%
2016	5,891 **	446,826,459 **	75,849 **	3.00%
2017	5,891 **	446,826,459 **	75,849 **	3.00%

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

** - Latest Bergen County per capita personal income available (2015) and municipal population data available (2016) was used for calculation purposes.

N/A- Not Available

Source:

a - Population information provided by the US Department of Census - Population Division.

b - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

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

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

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	128	129	130	136	139	142	138	140	147	145
Special Education	23	24	25	23	23	24	27	26	35	34
Other Special Instruction	19	19	19	17	20	18	10	12	1	1
Other Instruction	16	16	16	0	0	0	0	0	1	1
Support Services:										
Student & Instruction Related Services	37	37	37	45	47	57	59	58	54	51
General Administrative Services	7	7	7	4	4	4	4	4	4	4
School Administrative Services	11	11	11	13	14	14	14	14	13	12
Plant Operations and Maintenance	7	7	7	30	30	31	31	31	33	31
Pupil Transportation	27	27	27	1	1	1	1	1	1	1
Business and Other Support Services	1	1	1	13	14	13	14	12	13	12
Total	276	278	280	282	292	304	298	298	302	292

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio				Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pascack Hills High School		Pascack Valley High School				
						1:9	1:10	1:9	1:10			
2008	1,858	\$ 39,418,180	21,215	7.62%	145	1:9	1:10	1,902.8	1,800.0	3.64%	94.60%	
2009	1,952	38,878,388	19,917	-6.12%	145	1:9	1:10	1,868.0	1,791.9	-1.83%	95.93%	
2010	2,052	40,745,823	19,857	-0.30%	145	1:9	1:10	1,872.4	1,797.6	0.24%	96.01%	
2011	2,075	42,153,195	20,315	2.31%	159	1:12	1:14	2,054.8	1,965.6	9.74%	95.66%	
2012	2,066	42,502,822	20,573	1.27%	162	1:12	1:13	2,051.1	1,977.4	-0.18%	96.41%	
2013	2,080	43,889,159	21,101	2.57%	175	1:10	1:13	2,037.6	1,953.1	-0.66%	95.85%	
2014	2,062	44,975,090	21,811	3.37%	157	1:13	1:13	2,070.0	1,984.0	1.59%	95.85%	
2015	2,042	47,860,521	23,438	7.46%	169	1:12	1:12	2,027.7	1,954.0	-2.04%	96.37%	
2016	2,068	49,058,530	23,723	1.21%	172	1:12	1:12	2,059.4	1,985.4	1.56%	96.41%	
2017	2,034	50,511,126	24,833	4.68%	174	1:11	1:12	2,026.2	1,941.5	-1.61%	95.82%	

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

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

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

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

Note: Enrollment based on annual October District count.

Source: Pascack Valley Regional High School District records.

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

<u>District Building</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pascack Valley High School (1962)										
Square Feet	171,594	171,594	171,594	171,594	171,594	171,594	200,807	200,807	200,807	200,807
* Capacity (students)	1,117	1,117	1,117	1,117	1,117	1,117	1,307	1,307	1,307	1,307
Enrollment	1,121	1,121	1,192	1,248	1,257	1,279	1,265	1,191	1,191	1,210
Pascack Hills High School (1954)										
Square Feet	161,870	161,870	161,870	161,870	161,870	161,870	193,037	193,037	193,037	193,037
* Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	781	781	810	827	809	801	835	842	842	824
Superintendent's Office Building										
Square Feet	877	877	877	877	877	877	877	877	877	877
Board of Education Offices										
Square Feet	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253

Number of Schools at June 30, 2017
 High School = 2

* Based on Functional Capacity in District's LRF

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.
 Source: Pascack Valley Regional High School District Facilities Office.

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

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

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Pascack Hills HS	N/A	\$ 387,731	\$ 479,057	\$ 528,521	\$ 566,797	\$ 314,119
Pascack Valley HS	N/A	415,759	440,136	924,300	398,572	429,062
Total School Facilities		<u>803,490</u>	<u>919,193</u>	<u>1,452,820</u>	<u>965,369</u>	<u>743,181</u>
Grand Total		<u>\$ 803,490</u>	<u>\$ 919,193</u>	<u>\$ 1,452,820</u>	<u>\$ 965,369</u>	<u>\$ 743,181</u>

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

N/A - Not Applicable.

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

Source: Pascack Valley Regional High School District records.

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Northeast Bergen County School Board Insurance Group- School Package		
Policy - Great American:		
Property - Blanket Building and Grounds:		
School Limit	\$ 93,303,607	\$ 5,000
Flood:		
Outside Zones A, V or B	5,000,000	50,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Boiler and Machinery - Great American:		
Property Damage	93,303,607	
General Liability - Great American:		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
Commercial Automobile Liability - Great American:		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
Commercial Umbrella -		
Great American	9,000,000	10,000
Excess Umbrella -		
Fireman's Fund Insurance Company (Excess of \$9,000,000):		
Per Occurrence	50,000,000	
Group Aggregate	50,000,000	
Worker's Compensation - Safety National:		
Per Occurrence	Statutory	
Indemnity Employers Liability per Occurrence	1,000,000	

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

	<u>Coverage</u>	<u>Deductible</u>
Environmental Legal Liability - ACE		
Insurance Company:		
Per Occurrence	\$ 2,000,000	\$ 15,000
Aggregate	4,000,000	
Group Aggregate	20,000,000	
Crime Coverage - Selective Insurance Company:		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty	400,000	
Forgery and Alterations	50,000	1,000
Educators Legal Liability - Darwin:		
Educators Legal Ded	1,000,000	35,000
Employment Practices Ded		35,000
Individual Bonds - Selective Insurance Company:		
School Business Administrator/Board Secretary	450,000	
Treasurer of School Monies	450,000	
Accidental Death and Dismemberment - Gerber Life Insurance		
Principal Sum (AD&D)	100,000	
Student and Athletic Accident - Peoples Benefit Life		
Insurance Company:		
Accident Medical Expense Benefit:		
Athletics	5,000,000	
Student	5,000,000	
Voluntary	500,000	
Cyber Liability - XL Insurance		
1st Party/3rd Party	1,000,000/2,000,000	25,100/15,000
Policy Aggregate	6,000,000	

Source: Pascack Valley Regional High School District records.

SINGLE AUDIT SECTION



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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 Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pascack Valley Regional High School District, in the County of Bergen (the "Board") as of, and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 13, 2017.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

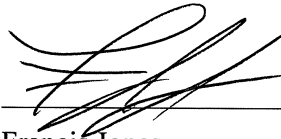
As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Mount Arlington, New Jersey
November 13, 2017

Nisivoccia LLP
NISIVOCCIA LLP



Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 District's internal control over compliance.


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

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

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

Mount Arlington, New Jersey
November 13, 2017


NISIVOCCIA LLP


Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2016		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2017		Amounts Provided to Subrecipients
		From	To		(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue	
Special Revenue Fund:												
Passed-through State Department of Education:												
No Child Left Behind:												
84.010	NCLB-3960-16	7/1/15	6/30/16	\$ 62,351	\$ (6,909)		\$ 6,909					
84.367	NCLB-3960-17	7/1/16	6/30/17	23,144			23,144	\$ (23,144)				
84.367	NCLB-3960-16	7/1/15	6/30/16	24,173	(4)		4					
84.365	NCLB-3960-14	7/1/13	6/30/14	1,028						\$ 933		
Total No Child Left Behind					(6,913)		30,057		(23,144)		933	
Special Education Cluster:												
84.027	IDEA-3960-17	7/1/16	6/30/17	454,126			363,102	(454,105)		(91,003)		
84.027	IDEA-3960-16	7/1/15	6/30/16	472,422	(71,162)		71,162					
Total Special Education Cluster					(71,162)		434,264		(454,105)		(91,003)	
Total Special Revenue Fund					(78,075)		464,321		(477,249)		933	
Total U.S. Department of Education					(78,075)		464,321		(477,249)		933	
TOTAL FEDERAL AWARDS					\$ (78,075)	\$ 933	\$ -0-	\$ 464,321	\$ (477,249)	\$ (91,003)	\$ 933	\$ -0-

N/A - Not Available/Applicable

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

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

State Grantor/Program Title	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2016			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2017		MEMO
		From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor					(Budgetary Receivable)	Cumulative Total Expenditures	
General Fund:														
Special Education Categorical Aid	16-495-034-5120-089	7/1/15	6/30/16	\$ 942,532	\$ (44,733)	\$	\$	\$ 44,733	\$	\$	\$	\$	\$	\$ 942,532
Special Education Categorical Aid	17-495-034-5120-089	7/1/16	6/30/17	928,282	(1,486)			902,091	(928,282)				(26,191)	928,282
Security Aid	16-495-034-5120-084	7/1/15	6/30/16	31,308	(4,528)			34,817	(35,828)				(1,011)	31,308
Security Aid	17-495-034-5120-084	7/1/16	6/30/17	35,828				4,528						35,828
Transportation Aid	16-495-034-5120-014	7/1/15	6/30/16	95,402				107,348	(110,465)				(3,117)	95,402
Transportation Aid	17-495-034-5120-014	7/1/16	6/30/17	110,465				20,087	(20,670)				(583)	110,465
Professional Learning Community Aid	17-495-034-5960-101	7/1/16	6/30/17	20,670				980						20,670
PARCC Readiness Aid	16-495-034-5120-098	7/1/15	6/30/16	20,650	(980)			20,068	(20,650)				(582)	20,650
PARCC Readiness Aid	17-495-034-5120-098	7/1/16	6/30/17	20,650	(980)			980						20,650
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15	6/30/16	20,650				20,068	(20,650)				(582)	20,650
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16	6/30/17	20,650				312,584	(430,813)				(430,813)	312,584
Extraordinary Special Education Costs Aid	16-495-034-5120-044	7/1/15	6/30/16	312,584	(312,584)									312,584
Extraordinary Special Education Costs Aid	17-495-034-5120-044	7/1/16	6/30/17	430,813	(22,655)			22,655						430,813
Nonpublic Transportation Aid	16-495-034-5120-014	7/1/15	6/30/16	22,655										22,655
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16	6/30/17	21,524					(21,524)				(21,524)	21,524
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15	6/30/16	1,444,172	(72,879)			72,879						1,444,172
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16	6/30/17	1,472,371				1,399,071	(1,472,371)				(73,300)	1,472,371
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16	6/30/17	1,819,688				1,819,688	(1,819,688)					1,819,688
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16	6/30/17	2,107,542				2,107,542	(2,107,542)					2,107,542
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16	6/30/17	76,361				76,361	(76,361)					76,361
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16	6/30/17	4,164				4,164	(4,164)					4,164
Total General Fund State Aid					(460,825)			6,972,130	(7,069,008)			(525,637)	(557,703)	9,958,961
Special Revenue Fund:														
NJ Nonpublic Aid:														
Auxiliary Services (Chapter 192):														
Compensatory Education	17-100-034-5120-067	7/1/16	6/30/17	81,518				81,518	(69,335)			\$ 12,183		69,335
Compensatory Education	16-100-034-5120-067	7/1/15	6/30/16	51,100						1,269				49,831
Handicapped Services (Chapter 193):														
Examination and Classification	17-100-034-5120-066	7/1/16	6/30/17	51,875				51,875	(41,796)					41,796
Examination and Classification	16-100-034-5120-066	7/1/15	6/30/16	42,451						7,835				34,616
Supplementary Instruction	17-100-034-5120-066	7/1/16	6/30/17	51,006				51,006	(47,160)					47,160
Supplementary Instruction	16-100-034-5120-066	7/1/15	6/30/16	41,584						743				40,841
Corrective Speech	17-100-034-5120-066	7/1/16	6/30/17	1,590				1,590	(707)					883
Corrective Speech	16-100-034-5120-066	7/1/15	6/30/16	1,505						1,254				251
Textbook Aid (Chapter 194)	17-100-034-5120-064	7/1/16	6/30/17	20,635				20,635	(13,702)					13,702
Textbook Aid (Chapter 194)	16-100-034-5120-064	7/1/15	6/30/16	21,584						2,494				19,090
Nursing Services (Chapter 226)	17-100-034-5120-064	7/1/16	6/30/17	42,570				42,570	(42,570)					42,570
Technology Initiative	17-100-034-5120-373	7/1/16	6/30/17	9,308				9,308	(9,307)					9,307
Security Aid	17-100-034-5120-509	7/1/16	6/30/17	23,650				23,650	(23,650)					23,650
Anti-Bullying Bill of Rights Act	N/A			433								\$ 217		433
Total Special Revenue Fund								282,152	(248,227)			217	33,925	392,582
Total State Department of Education					(460,825)			7,254,282	(7,317,235)			(525,637)	(557,703)	10,351,543

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

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2016		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustment of Prior Years' Receivables	Balance at June 30, 2017		MEMO			
				Budgetary (Accounts Receivable)	Budgetary Unearned Revenue					Due to Grantor	Budgetary Unearned Revenue		Due to Grantor	(Budgetary Receivable)	Cumulative Total Expenditures
NJ Schools Development Authority:															
Capital Projects Fund:															
Educational Facilities Construction & Financing Act:															
Pascack Hills High School:															
A Wing Window Replacement	SP-3960-040-14-1002	06/09/14 6/30/17	\$ 284,377	\$ (284,377)					\$ 36,647		\$ (284,377)	\$ 284,377			
D Wing Window Replacement	SP-3960-040-14-1003	06/09/14 6/30/17	184,752	(36,647)								184,752			
Pascack Valley High School:															
54-56 Wing Window Replacement	SP-3960-040-14-1004	06/09/14 6/30/17	211,806	(190,625)							(190,625)	211,806			
72 Wing Window Replacement	SP-3960-040-14-1005	06/09/14 6/30/17	158,838	(158,838)							(158,838)	158,838			
Total Capital Projects Fund				(670,487)					36,647		(633,840)	839,773			
Total NJ Schools Development Authority				(670,487)					36,647		(633,840)	839,773			
Total State Awards Subject to Single Audit Determination				\$ (1,131,312)	\$ 217	\$ 13,595	\$ -0-	\$ 7,254,282	\$ (7,317,235)	\$ 50,242	\$ (625,637)	\$ 217	\$ 33,925	\$ (1,191,543)	\$ 11,191,316

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

On-Behalf TPAF Pension System Contributions:

On-Behalf TPAF Pension System Contributions	17-495-034-5094-001	7/1/16 6/30/17	(1,819,688)
On-Behalf TPAF Pension System Contributions	17-495-034-5094-002	7/1/16 6/30/17	(2,107,542)
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16 6/30/17	(76,361)
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16 6/30/17	(4,164)

Subtotal - On-Behalf TPAF Pension System Contribution

4,007,755

(3,309,480)

Total State Awards Subject to Single Audit Major Program Determination

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

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$20,640 for the general fund, and \$36,647 for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds.

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

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

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,089,649	\$ 7,089,649
Special Revenue Fund	\$ 477,249	248,227	725,476
Total Financial Assistance	<u>\$ 477,249</u>	<u>\$ 7,337,876</u>	<u>\$ 7,815,125</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

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

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

The District has been awarded grants in the amount of \$913,443 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2017, \$839,772 has been expended and \$-0- drawn down. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

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

Summary of Auditors' Results:

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

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education				
Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 928,282	\$ 928,282
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	35,828	35,828
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	20,650	20,650
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	20,650	20,650
Professional Learning				
Community Aid	17-495-034-3960-101	7/1/16-6/30/17	20,670	20,670

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

Summary of Auditors' Results: (Cont'd)

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

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

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.