

**DELAWARE VALLEY REGIONAL  
HIGH SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

**Comprehensive Annual  
Financial Report**

**of the**

**Delaware Valley Regional  
High School District**

**Alexandria Township, New Jersey**

**For the Fiscal Year Ended June 30, 2018**

**Prepared by**

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

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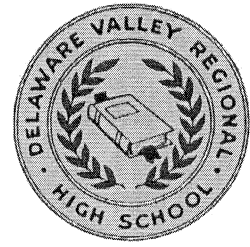
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INTRODUCTORY SECTION

# *Delaware Valley Regional High School Board of Education*



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

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**Daria A. Wasserbach**  
*Superintendent*

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

January 18, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Delaware Valley Regional High School District (the "District") for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1) REPORTING ENTITY AND ITS SERVICES:** Delaware 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 Delaware Valley Regional High School Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational and special education services. The District completed the 2017-2018 fiscal year with an enrollment of 801 students, which is 75 students below the previous year's enrollment and represents a decrease of 8.56%.

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

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

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

The local elementary districts are reporting reduced levels of enrollment, which is starting to affect the high school enrollment. A recent survey indicated that the Delaware Valley Regional High School will experience a 20% reduction in enrollment over the next several years. With that in mind the District has conducted a demographic study and formed an Educational Long-Range Planning Committee that involved the community and other stakeholders to establish the vision for the future of the District. The areas of concentration and evaluation included a comprehensive evaluation of programs, finances, and facilities including technology.

3) MAJOR INITIATIVES: The Delaware Valley Regional High School is proud of its ability to offer a comprehensive high school program including many co-curricular offerings as well as a competitive athletic program and stellar performing arts program. Declining enrollments are still a concern even though the worst has been realized in this area. The outcome of the Educational Long-Range Plan identified some facility needs and support to expand program offerings. There were several facility items that were identified; however, we are choosing to focus on roof replacement and upgrading the four science labs. Two of the four science labs have been renovated with the intention of completing the remaining two chemistry labs during the summer of 2019. A roof replacement and restoration project has been initiated.

There is an expectation that the roof upgrades will be completed over a 3-year period. Contracts to replace the auditorium seats and flooring have also been awarded.

The District is also excited about the different academic partnerships and programs that are being developed and implemented. Dual enrollment programs with Raritan Valley Community College and Seton Hall University were implemented during the 2017/2018 school year with expansions planned in the future. The District is also developing and preparing to roll out academy programs using Project Lead the Way Curriculum. Areas of focus for the academy programs include, Computer Science and Engineering, Bio-Medical, Environmental Science and Performing Arts.



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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at fiscal year-end are either canceled or are included as reappropriations of fund balance in the subsequent fiscal year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2018.

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

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

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

The Honorable President and Members of  
the Board of Education  
Delaware Valley Regional High School District  
Page 4  
January 18, 2019

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

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

Respectfully submitted,



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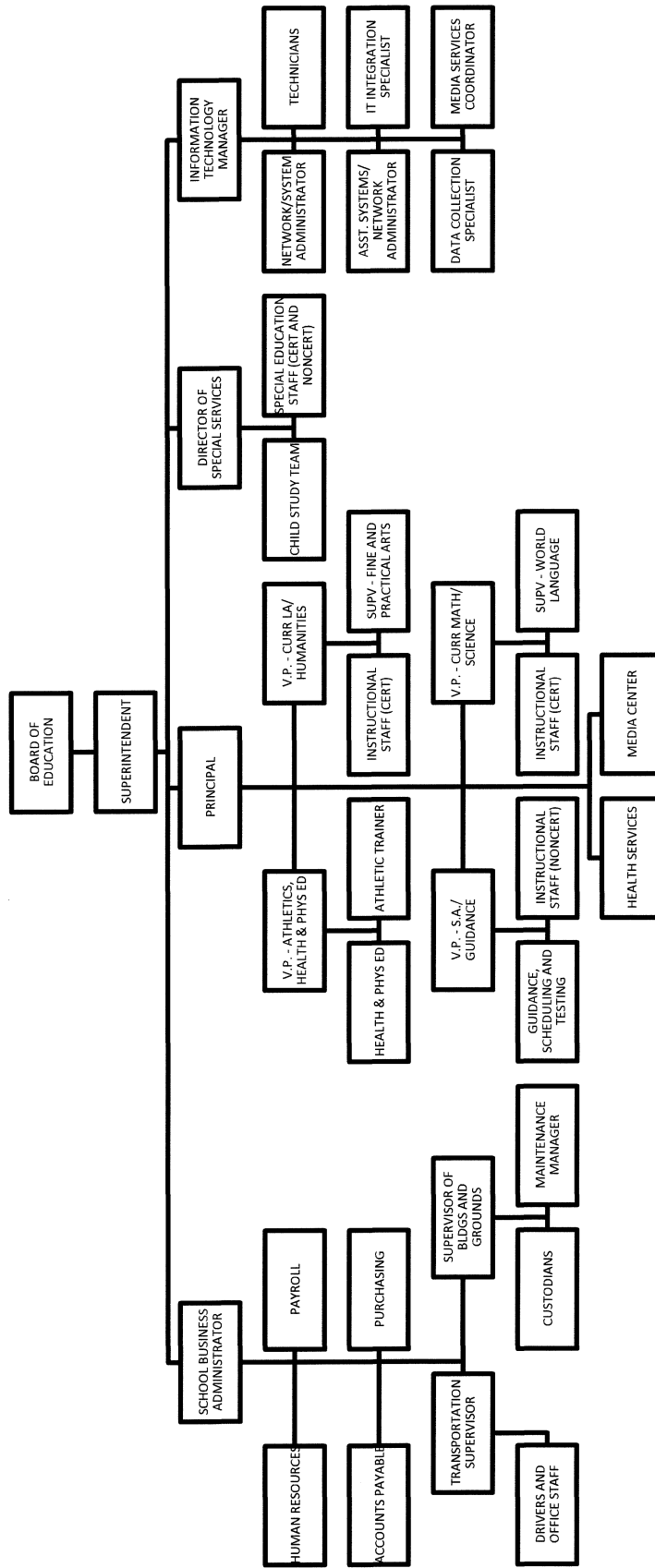
Daria A. Wasserbach  
Superintendent of Schools



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Teresa E. Barna  
Board Secretary/Business Administrator

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
 ORGANIZATIONAL CHART



**DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
ROSTER OF OFFICIALS  
JUNE 30, 2018**

Name	Municipality	Term Expires
Ellen Gordon, President	Milford Borough	2019
Brett Reina, Vice-President	Holland Township	2018
Jonathan DeLisle	Alexandria Township	2020
Debora Frank	Kingwood Township	2021
David Gerth	Alexandria Township	2018
Dr. Sandra Howell	Holland Township	2019
Sharon Lightner	Kingwood Township	2020
Geoffrey Stanley	Frenchtown Borough	2020
George Tavernite	Holland Township	2019

**Other Officials**

Daria A. Wasserbach, Superintendent of Schools

Teresa E. Barna, School Business Administrator/Board Secretary

Raymond Krov, Treasurer of School Monies

**DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS  
JUNE 30, 2018**

Audit Firm: Nisivoccia, LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856

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

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

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

School Physician: St. Luke's Warren Physician Group, P.C.  
c/o St. Luke's Physician Group, Inc.  
801 Ostrum Street  
Bethlehem, PA 18015

Financial Advisor: Phoenix Advisors  
4 West Park Street  
Bordentown, NJ 08505

FINANCIAL SECTION

## Independent Auditors' Report

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delaware Valley Regional High School District (the "District") in the County of Hunterdon, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Valley Regional High School District, as of June 30, 2018, 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.

### ***Emphasis of Matter***

As discussed in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are not modified with respect to this matter.

### ***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 and post-employment benefit schedules in Exhibits L-1 through L-5 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.



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.

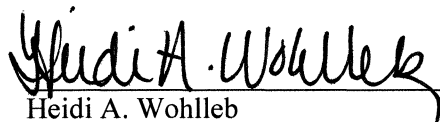
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 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.

January 18, 2019  
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 FRENCHTOWN, NEW JERSEY  
 MANAGEMENT DISCUSSION AND ANALYSIS  
 FOR FISCAL YEAR ENDED JUNE 30, 2018  
 (UNAUDITED)**

This section of Delaware Valley Regional High School’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2018. 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.

**Overview of the Financial Statements**

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

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

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

**Figure A-1  
 Organization of Delaware Valley Regional High School District's Financial Report**

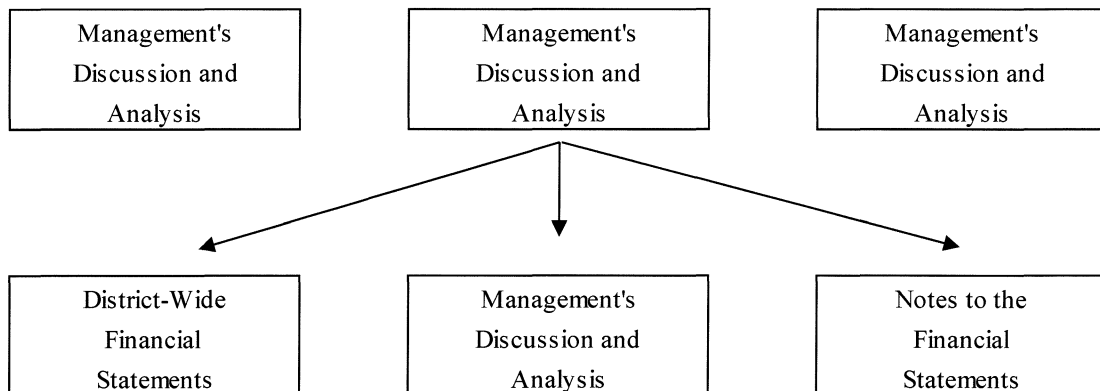


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**Figure A-2**

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

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

## District-Wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has three kinds of funds:

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

## Notes to the Basic Financial Statements

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

### Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position was \$9,093,380 on June 30, 2018, \$2,253,558 or 32.95% more than it was the year before (See Figure A-3). Net position from governmental activities increased \$2,459,268 and net position from business-type activities decreased by \$205,710 (See Figure A-4). Net investment in capital assets increased \$2,124,938, restricted net position increased \$1,697,843 and unrestricted net position decreased \$1,569,223.

**Figure A-3**

#### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2018	2017*	2018	2017*	2018	2017*	
Current and							
Other Assets	\$ 2,995,016	\$ 3,063,448	\$2,331,883	\$2,020,202	\$ 5,326,899	\$ 5,083,650	
Capital Assets, Net	13,891,011	12,935,539	2,479,490	2,276,261	16,370,501	15,211,800	
Total Assets	16,886,027	15,998,987	4,811,373	4,296,463	21,697,400	20,295,450	6.91%
Deferred Outflows of Resources	2,353,149	3,526,154	1,237,455	1,511,209	3,590,604	5,037,363	-28.72%
Other Liabilities	385,270	457,447	193,525	145,184	578,795	602,631	
Long-Term Liabilities	8,588,913	12,192,700	4,586,050	5,022,301	13,174,963	17,215,001	
Total Liabilities	8,974,183	12,650,147	4,779,575	5,167,485	13,753,758	17,817,632	-22.81%
Deferred Inflows of Resources	1,606,090	675,359	834,776		2,440,866	675,359	261.42%
Net Position:							
Net Investment in Capital Assets	13,292,397	11,226,221	1,480,439	1,421,677	14,772,836	12,647,898	
Restricted	2,963,008	1,265,165			2,963,008	1,265,165	
Unrestricted/(Deficit)	(7,596,502)	(6,291,751)	(1,045,962)	(781,490)	(8,642,464)	(7,073,241)	
Total Net Position	\$ 8,658,903	\$ 6,199,635	\$ 434,477	\$ 640,187	\$ 9,093,380	\$ 6,839,822	32.95%

\* - Restated

### Financial Analysis of the District as a Whole

Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4). The net investment in capital assets increased \$2,124,938 due to capital additions in governmental and business-type activities along with serial bonds maturities and capital lease maturities in the governmental and business-type activities, which was offset by new capital leases entered into in the governmental and business-type activities as well as depreciation expense in the governmental and business-type activities. The increase in restricted net position of \$1,697,843 is due to interest earnings, a deposit at year end as well as unexpended funds returned from the Capital Projects Fund offset by a withdrawal during the year related to the capital reserve. The decrease in unrestricted net position is due primarily to the expenses related to certain capital projects as well as changes in the net pension liability and related deferred inflows and outflows as well as increases in gasoline and salary and benefit costs in the Transportation Enterprise Fund.

**Figure A-4**

**Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2018	2017	2018	2017	2018	2017	
Revenue:							
Program Revenue:							
Charges for Services	\$ 44,857	\$ 154,467	\$ 4,841,640	\$ 4,904,497	\$ 4,886,497	\$ 5,058,964	
Operating Grants & Contributions	7,249,654	6,201,452	45,871	45,372	7,295,525	6,246,824	
Capital Grants & Contributions	527,542		6,694		534,236		
General Revenue:							
Property Taxes	14,609,541	14,610,141			14,609,541	14,610,141	
Unrestricted Federal & State Aid	3,296,720	3,293,049			3,296,720	3,293,049	
Other	646,571	447,702	473	162	647,044	447,864	
Total Revenue	26,374,885	24,706,811	4,894,678	4,950,031	31,269,563	29,656,842	5.44%
Expenses:							
Instruction	12,052,095	12,364,004			12,052,095	12,364,004	
Pupil & Instruction Services	7,007,776	6,246,060			7,007,776	6,246,060	
Administration and Business	2,228,101	2,211,151			2,228,101	2,211,151	
Maintenance & Operations	1,340,044	2,199,965			1,340,044	2,199,965	
Transportation	1,287,053	1,333,459			1,287,053	1,333,459	
Other	548	18,805	5,100,521	4,233,943	5,101,069	4,252,748	
Total Expenses	23,915,617	24,373,444	5,100,521	4,233,943	29,016,138	28,607,387	1.43%
Transfers		(8,013)		8,013			
Change in Net Position	\$ 2,459,268	\$ 341,380	\$ (205,843)	\$ 708,075	\$ 2,253,425	\$ 1,049,455	114.72%

**Governmental Activities**

The governmental activities financial position of the District increased by 39.67%. However, maintaining existing programs related to regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District’s resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased special education programs and increased health benefit costs. As a result, the five municipalities in the regional district were subject to a tax increase in fiscal 2018.

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

Figure A-5 presents the cost of six major District activities: instruction, pupil & instructional services, administration & business, maintenance & operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-5**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction	\$ 12,052,095	12,364,004	\$ 7,263,860	\$ 8,045,830
Pupil & Instruction Services	7,007,776	6,246,060	5,389,978	5,066,518
Administration and Business	2,228,101	2,211,151	1,728,402	1,808,750
Maintenance & Operations	1,340,044	2,199,965	543,878	1,863,175
Transportation	1,287,053	1,333,459	1,166,898	1,214,447
Other	548	18,805	548	18,805
<b>Total</b>	<b>\$ 23,915,617</b>	<b>\$ 24,373,444</b>	<b>\$ 16,093,564</b>	<b>\$ 18,017,525</b>

**Business-Type Activities**

Net position in the District's business-type activities decreased by \$205,710. (Refer to Figure A-4). Factors contributing to these results included:

- Food Service Fund net position increased by \$2,596.
- Transportation Fund net position decreased by \$161,954 due primarily to an increase in gasoline and salary and benefits costs. There continues to be a limited pool of bus drivers.
- Technology Service Fund net position decreased by \$46,352 due primarily to a continuing deficit of revenue under expenses.

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

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

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

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

**General Fund Budgetary Highlights**

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



## Capital Assets and Long-Term Liabilities Administration

**Figure A-6**

### Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2018	2017*	2018	2017*	2018	2017*	
Land	\$ 36,845	\$ 36,845			\$ 36,845	\$ 36,845	
Construction in Progress		133,453				133,453	
Site Improvements	1,354,885	1,257,848			1,354,885	1,257,848	
Buildings & Bldg. Imps.	11,653,081	10,629,224	\$ 107,525	\$ 116,875	11,760,606	10,746,099	
Machinery, Furniture and Equipment	846,200	878,169	287,763	303,670	1,133,963	1,181,839	
Buses and Other Vehicles			2,084,202	1,855,716	2,084,202	1,855,716	
<b>Total</b>	<b>\$13,891,011</b>	<b>\$12,935,539</b>	<b>\$2,479,490</b>	<b>\$ 2,276,261</b>	<b>\$16,370,501</b>	<b>\$15,211,800</b>	<b>7.62%</b>

\* - Restated

The District's Capital Assets increased \$1,158,701 or 7.62 percent, on a district-wide basis. (More detailed information about the District's Capital Assets is presented on Note 8 to the basic financial statements.)

## Long-Term Liabilities

**Figure A-7**

### Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2018	2017	2018	2017	2018	2017	
Compensated Absences Payable	\$ 869,428	\$ 766,698	\$ 103,092	\$ 82,037	\$ 972,520	\$ 848,735	
Net Pension Liability	6,702,956	9,533,252	3,483,907	4,085,680	10,186,863	13,618,932	
Serial Bonds Payable	530,000	1,065,000			530,000	1,065,000	
Unamortized Bond Premium	32,244	64,488			32,244	64,488	
Capital Leases Payable	454,285	763,262	999,051	854,584	1,453,336	1,617,846	
<b>Total</b>	<b>\$ 8,588,913</b>	<b>\$12,192,700</b>	<b>\$4,586,050</b>	<b>\$5,022,301</b>	<b>\$13,174,963</b>	<b>\$17,215,001</b>	<b>-23.47%</b>

The District's Long-Term Liabilities decreased by \$4,040,038, on a district-wide basis. (See Note 9 to the basic financial statements for more detailed information about the District's long-term liabilities.)

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

The Delaware Valley Regional High School District is in satisfactory financial condition at this time. The School District is proud of its community support of the public schools. The School District has continued to grow its program offerings for its students while being sensitive to the taxpayers. One of the areas the District will continue to explore is the sharing of services with its constituent K-8 Districts. The District has a reliance on local property taxes which is a main source of funding. A future concern is the announcement and passage of legislation that will redistribute state aid. Delaware Valley Regional High School is slated to lose a significant amount of state aid under the new legislation.

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

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 484,742	\$ 1,291,110	\$ 1,775,852
Receivable from State Government	205,164	42	205,206
Receivable from Federal Government	10,890	782	11,672
Receivable from Other Governments	11,105	340,642	351,747
Other Receivables	11,324		11,324
Internal Balances	(696,217)	696,217	
Interfund Receivable	5,000		5,000
Inventories		3,090	3,090
Restricted Assets:			
Cash and Cash Equivalents	2,963,008		2,963,008
Capital Assets:			
Site (Land)	36,845		36,845
Depreciable Site Improvements, Building and Building Improvements and Machinery, Furniture, Equipment, Buses and Other Vehicles	13,854,166	2,479,490	16,333,656
<b>Total Assets</b>	<b>16,886,027</b>	<b>4,811,373</b>	<b>21,697,400</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	2,353,149	1,237,455	3,590,604
<b>Total Deferred Outflows of Resources</b>	<b>2,353,149</b>	<b>1,237,455</b>	<b>3,590,604</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accrued Interest Payable	9,717		9,717
Accounts Payable	347,466	184,009	531,475
Unearned Revenue	28,087	9,233	37,320
Other Current Liability		283	283
<b>Noncurrent Liabilities:</b>			
Due Within One Year	981,955	441,280	1,423,235
Due Beyond One Year	7,606,958	4,144,770	11,751,728
<b>Total Liabilities</b>	<b>8,974,183</b>	<b>4,779,575</b>	<b>13,753,758</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	1,606,090	834,776	2,440,866
<b>Total Deferred Inflows of Resources</b>	<b>1,606,090</b>	<b>834,776</b>	<b>2,440,866</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,292,397	1,480,439	14,772,836
Restricted for:			
Capital Projects	2,504,708		2,504,708
Maintenance Reserve	208,300		208,300
Emergency Reserve	250,000		250,000
Unrestricted/(Deficit)	(7,596,502)	(1,045,962)	(8,642,464)
<b>Total Net Position</b>	<b>\$ 8,658,903</b>	<b>\$ 434,477</b>	<b>\$ 9,093,380</b>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,703,370	\$ 5,514	\$ 3,022,458		\$ (5,675,398)		\$ (5,675,398)
Special Education	2,238,108	39,343	1,720,920		(477,845)		(477,845)
Other Instruction	356				(356)		(356)
School Sponsored Instruction	1,110,261				(1,110,261)		(1,110,261)
Support Services:							
Tuition	1,336,165				(1,336,165)		(1,336,165)
Student & Instruction Related Services	5,671,611		1,617,798		(4,053,813)		(4,053,813)
General Administration Services	647,909		87,552		(560,357)		(560,357)
School Administration Services	838,368		259,143		(579,225)		(579,225)
Central Services	621,070		128,041		(493,029)		(493,029)
Administration Information Technology	120,754		24,963		(95,791)		(95,791)
Plant Operations and Maintenance	1,340,044		268,624	\$ 527,542	(543,878)		(543,878)
Pupil Transportation	1,287,053		120,155		(1,166,898)		(1,166,898)
Interest on Long-Term Debt	548				(548)		(548)
Total Governmental Activities	23,915,617	44,857	7,249,654	527,542	(16,093,564)	\$ -0-	(16,093,564)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:						
Food Service	\$ 320,083	\$ 269,641	\$ 6,694	\$	2,123	\$ 2,123
Transportation	4,504,774	4,342,647		(162,127)		(162,127)
Technology Services	275,664	229,352		(46,312)		(46,312)
Total Business-Type Activities	5,100,521	4,841,640	6,694	-0-	(206,316)	(206,316)
Total Primary Government	\$ 29,016,138	\$ 4,886,497	\$ 534,236	(16,093,564)	(206,316)	(16,299,880)

General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				14,031,941		14,031,941
Taxes Levied for Debt Service				577,600		577,600
Federal and State Aid not Restricted				3,296,720		3,296,720
Investment Earnings				9,097	473	9,570
Rents and Royalties				510,440		510,440
Miscellaneous Income				127,034		127,034
Total General Revenue				18,552,832	473	18,553,305
Change in Net Position				2,459,268	(205,843)	2,253,425
Net Position - Beginning (Restated)				6,199,635	640,187	6,839,822
Net Position - Ending				\$ 8,658,903	\$ 434,344	\$ 9,093,247

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

FUND FINANCIAL STATEMENTS



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 477,711	\$ 7,031		\$ 484,742
Interfund Receivable	5,000			5,000
Receivable from State Government	205,164			205,164
Receivable from Federal Government		10,890		10,890
Receivable from Other Governments	11,105			11,105
Other Receivables	933	10,391		11,324
Restricted Cash and Cash Equivalents	2,963,008			2,963,008
<b>Total Assets</b>	<b>\$3,662,921</b>	<b>\$ 28,312</b>	<b>\$ - 0 -</b>	<b>\$ 3,691,233</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
<b>Accounts Payable:</b>				
Vendors	\$ 47,241	\$ 225		\$ 47,466
Interfund Payable			\$ 696,217	696,217
Unearned Revenue		28,087		28,087
<b>Total Liabilities</b>	<b>47,241</b>	<b>28,312</b>	<b>696,217</b>	<b>771,770</b>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Capital Reserve Account	2,504,708			2,504,708
Maintenance Reserve Account	208,300			208,300
Emergency Reserve Account	250,000			250,000
<b>Assigned:</b>				
Encumbrances	286,125			286,125
Subsequent Year's Expenditures	200,000			200,000
Unassigned/Deficit	166,547		(696,217)	(529,670)
<b>Total Fund Balances/(Deficit)</b>	<b>3,615,680</b>	<b>-0-</b>	<b>(696,217)</b>	<b>2,919,463</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,662,921</b>	<b>\$ 28,312</b>	<b>\$ -0-</b>	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. 13,891,011

Long-Term Liabilities, including Bonds Payable and the Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (8,588,913)

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:

Change in Deferred Outflows	2,053,149
Change in Deferred Inflows	(1,606,090)

Accrued Interest on Long-Term Liabilities is not due and payable in the current period and therefore is not reported as a liability in the funds. (9,717)

Net Position of Governmental Activities \$ 8,658,903

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUE:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 14,031,941			\$ 577,600	\$ 14,609,541
Tuition from Individuals	5,514				5,514
Tuition from Other LEA's Within the State	39,343				39,343
Rents and Royalties	510,440				510,440
Interest Earned on Capital Reserve Funds	9,097				9,097
Miscellaneous	127,034	\$ 4,443			131,477
Total - Local Sources	14,723,369	4,443		577,600	15,305,412
State Sources	6,284,451	55,329	\$ 527,542		6,867,322
Federal Sources	202,974				202,974
Total Revenue	21,007,820	262,746	527,542	577,600	22,375,708
EXPENDITURES:					
Current:					
Regular Instruction	4,430,603	84,323			4,514,926
Special Education Instruction	1,002,289	178,423			1,180,712
Other Instruction	356				356
School Sponsored Instruction	1,053,392				1,053,392
Support Services and Undistributed Costs:					
Tuition	1,336,165				1,336,165
Student & Instruction Related Services	2,764,760				2,764,760
General Administration Services	429,481				429,481
School Administration Services	430,419				430,419
Central Services	366,196				366,196
Administrative Information Technology	65,239				65,239
Plant Operations and Maintenance	1,426,972				1,426,972
Pupil Transportation	1,223,131				1,223,131
Unallocated Benefits	5,053,206				5,053,206

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Capital Outlay	\$ 546,135		\$ 831,185		\$ 1,377,320
Debt Service:					
Interest and Other Charges				\$ 42,600	42,600
Principal				535,000	535,000
Total Expenditures	20,128,344	\$ 262,746	831,185	577,600	21,799,875
Excess/(Deficit) of Revenue Over/(Under) Expenditures	879,476		(303,643)		575,833
OTHER FINANCING SOURCES/(USES):					
Capital Leases (Non-Budgeted)	103,497				103,497
Transfers In/(Out)	555,962		(555,962)		
Total Other Financing Sources/(Uses)	659,459		(555,962)		103,497
Net Change in Fund Balances	1,538,935		(859,605)		679,330
Fund Balance—July 1	2,076,745		163,388		2,240,133
Fund Balance/(Deficit)—June 30	\$ 3,615,680	\$ -0-	\$ (696,217)	\$ -0-	\$ 2,919,463

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 679,330
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	955,472
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(102,730)
In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.	9,808
Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	(103,497)
Repayments of capital leases and bond principal are expenditures in the Governmental Funds, but the repayments reduce Long-Term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.	947,474
The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	32,244
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	2,830,296
Changes in Deferred Outflows	(1,183,039)
Changes in Deferred Inflows	(1,606,090)
Change in Net Position of Governmental Activities (A-2)	\$ 2,459,268

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,271,232	\$ 19,878	\$ 1,291,110
Intergovernmental Accounts Receivable:			
State		42	42
Federal		782	782
Other	340,642		340,642
Interfund Receivable	696,217		696,217
Inventories		3,090	3,090
Total Current Assets	<u>2,308,091</u>	<u>23,792</u>	<u>2,331,883</u>
Non-Current Assets:			
Capital Assets:			
Depreciable Buildings and Building Improvements, Machinery, Furniture, Equipment, Buses and Other Vehicles	5,752,951	204,400	5,957,351
Less: Accumulated Depreciation	<u>(3,302,361)</u>	<u>(175,500)</u>	<u>(3,477,861)</u>
Total Non-Current Assets	<u>2,450,590</u>	<u>28,900</u>	<u>2,479,490</u>
Total Assets	<u>4,758,681</u>	<u>52,692</u>	<u>4,811,373</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>1,070,604</u>	<u>166,851</u>	<u>1,237,455</u>
Total Deferred Outflows of Resources	<u>1,070,604</u>	<u>166,851</u>	<u>1,237,455</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	160,692	23,317	184,009
Other Current Liability	283		283
Unearned Revenue - Prepaid Balances		8,312	8,312
Unearned Revenue - Donated Commodities		<u>921</u>	<u>921</u>
Total Current Liabilities	<u>160,975</u>	<u>32,550</u>	<u>193,525</u>
Long-Term Liabilities:			
Capital Leases - Due Within One Year	441,280		441,280
Capital Leases - Due Beyond One Year	557,771		557,771
Compensated Absences - Due Beyond One Year	103,092		103,092
Net Pension Liability - Due Beyond One Year	<u>3,015,311</u>	<u>468,596</u>	<u>3,483,907</u>
Total Long-Term Liabilities	<u>4,117,454</u>	<u>468,596</u>	<u>4,586,050</u>
Total Liabilities	<u>4,278,429</u>	<u>501,146</u>	<u>4,779,575</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>722,496</u>	<u>112,280</u>	<u>834,776</u>
Total Deferred Inflows of Resources	<u>722,496</u>	<u>112,280</u>	<u>834,776</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	1,451,539	28,900	1,480,439
Unrestricted/(Deficit)	<u>(623,179)</u>	<u>(422,783)</u>	<u>(1,045,962)</u>
Total Net Position/(Deficit)	<u>\$ 828,360</u>	<u>\$ (393,883)</u>	<u>\$ 434,477</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 102,073	\$ 102,073
Daily Sales - Non-Reimbursable Programs		167,568	167,568
Charges and Program Fees	\$ 4,342,647	229,312	4,571,959
Total Operating Revenue	4,342,647	498,953	4,841,600
Operating Expenses:			
Cost of Sales - Reimbursable Programs		82,762	82,762
Cost of Sales - Non-Reimbursable Programs		73,095	73,095
Salaries, Benefits & Payroll Taxes	3,158,020	402,735	3,560,755
Supplies, Insurance & Other Costs	203,763		203,763
Management Fee		8,924	8,924
Other Purchased Services	209,007		209,007
Miscellaneous Expense	222,361	20,987	243,348
Interest Expense on Capital Leases	14,325		14,325
Gasoline	313,309		313,309
Depreciation Expense	383,816	7,244	391,060
Total Operating Expenses	4,504,601	595,747	5,100,348
Operating Loss	(161,954)	(96,794)	(258,748)
Non-Operating Income:			
Local Sources			
Interest Income		473	473
State Sources:			
State School Lunch Program		1,930	1,930
Federal Sources:			
National School Lunch Program		27,660	27,660
School Breakfast Program		4,101	4,101
Food Distribution Program		12,180	12,180
Total Non-Operating Income		46,344	46,344
Change in Net Position Before Capital Contribution	(161,954)	(50,450)	(212,404)
Capital Contribution - General Fund		6,694	6,694
Change in Net Position After Capital Contribution	(161,954)	(43,756)	(205,710)
Net Position/(Deficit) - Beginning of Year (Restated)	990,314	(350,127)	640,187
Net Position/(Deficit) - End of Year	\$ 828,360	\$ (393,883)	\$ 434,477

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 4,316,643	\$ 503,280	\$ 4,819,923
Payments to/for Employees	(2,614,281)	(243,133)	(2,857,414)
Payments to Vendors	(1,088,507)	(274,727)	(1,363,234)
Payments for Miscellaneous Expenses		(18,248)	(18,248)
Net Cash Provided by/(Used for) Operating Activities	<u>613,855</u>	<u>(32,828)</u>	<u>581,027</u>
Cash Flows from Investing Activities:			
Interest Income		473	473
Net Cash Provided by Investing Activities		<u>473</u>	<u>473</u>
Cash Flows from Noncapital Financing Activities:			
Interfunds Advanced	(696,217)		(696,217)
Federal Reimbursements in Food Service Fund		32,328	32,328
State Reimbursements in Food Service Fund		1,948	1,948
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>(696,217)</u>	<u>34,276</u>	<u>(661,941)</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(1,109)		(1,109)
Capital Lease Principal Payments	(442,019)		(442,019)
Net Cash Used for Capital and Related Financing Activities	<u>(443,128)</u>		<u>(443,128)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(525,490)	1,921	(523,569)
Cash and Cash Equivalents, July 1	<u>1,796,722</u>	<u>17,957</u>	<u>1,814,679</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,271,232</u>	<u>\$ 19,878</u>	<u>\$ 1,291,110</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Loss	\$ (161,954)	\$ (96,794)	\$ (258,748)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:			
Depreciation	383,816	7,244	391,060
Food Distribution Program		12,180	12,180
Changes in Assets and Liabilities:			
Decrease in Interfund Receivable		4,327	4,327
Decrease in Inventory		5,564	5,564
(Increase) in Intergovernmental Accounts Receivable - Other	(149,509)		(149,509)
(Decrease) in Net Pension Liability	(457,517)	(144,256)	(601,773)
Decrease in Deferred Outflows - Pensions	213,923	59,831	273,754
Increase in Deferred Inflows - Pensions	722,496	112,280	834,776
Increase in Accounts Payable	41,545	4,676	46,221
Increase in Compensated Absences Payable	21,055		21,055
Increase in Unearned Revenue		2,120	2,120
Net Cash Provided By/(Used for) Operating Activities	<u>\$ 613,855</u>	<u>\$ (32,828)</u>	<u>\$ 581,027</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$11,507 and utilized \$12,180 for the fiscal year ended June 30, 2018.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<u>Agency</u>	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 347,494	\$ 5,030	\$ 144,903	\$ 36,704
Total Assets	<u>347,494</u>	<u>5,030</u>	<u>144,903</u>	<u>36,704</u>
<u>LIABILITIES:</u>				
Accrued Salaries and Wages	252,342			
Payroll Deductions and Withholdings	182			
Due to Student Groups	89,970			
Interfund Payable - General Fund	<u>5,000</u>			
Total Liabilities	<u>347,494</u>			
<u>NET POSITION:</u>				
Held in Trust for:				
Flexible Spending Claims		5,030		
Unemployment Claims			144,903	
Scholarships				<u>36,704</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 5,030</u>	<u>\$ 144,903</u>	<u>\$ 36,704</u>

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



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 18,218	\$ 22,165	
Donations			\$ 5,557
	<u>18,218</u>	<u>22,165</u>	<u>5,557</u>
Total Contributions	<u>18,218</u>	<u>22,165</u>	<u>5,557</u>
Investment Earnings:			
Interest	127	1,542	468
	<u>127</u>	<u>1,542</u>	<u>468</u>
Net Investment Earnings	<u>127</u>	<u>1,542</u>	<u>468</u>
Total Additions	<u>18,345</u>	<u>23,707</u>	<u>6,025</u>
DEDUCTIONS:			
Unemployment Compensation Claims		16,622	
Flexible Spending Claims	17,955		
Scholarship Payments			7,692
	<u>17,955</u>	<u>16,622</u>	<u>7,692</u>
Total Deductions	<u>17,955</u>	<u>16,622</u>	<u>7,692</u>
Change in Net Position	390	7,085	(1,667)
Net Position - Beginning of the Year	<u>4,640</u>	<u>137,818</u>	<u>38,371</u>
Net Position - End of the Year	<u>\$ 5,030</u>	<u>\$ 144,903</u>	<u>\$ 36,704</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary funds:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2018 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$21,007,584	\$ 271,699
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Prior Year Encumbrances		404
Cancellation of Prior Year Encumbrances		(218)
Current Year Encumbrances		(9,139)
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	397,885	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	(397,649)	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	\$21,007,820	\$ 262,746
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$20,128,344	\$ 271,699
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		404
Cancellation of Prior Year Encumbrances		(218)
Current Year Encumbrances		(9,139)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$20,128,344	\$ 262,746

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

	Capital Projects Fund	
	Fund Balance	Revenue
Fund Balance/Revenue and Other Financing Sources per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 345,553	\$ (369,276)
Reconciliation to Governmental Funds Statements (GAAP): SDA Grants Revenue Not Recognized on GAAP Basis	<u>(1,041,770)</u>	<u>896,818</u>
Fund Balance/(Deficit); Revenue and Other Financing Sources per Governmental Funds (GAAP)	<u>\$ (696,217)</u>	<u>\$ 527,542</u>

E. Cash and Cash Equivalents and Investments:

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

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed over the entire twelve month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2018, the amount earned by these employees but not disbursed was \$252,342.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$3,615,680 General Fund balance at June 30, 2018, \$286,125 is assigned for encumbrances; \$200,000 is assigned for subsequent year's expenditures; \$2,504,708 is restricted in the capital reserve account; \$208,300 is restricted in the maintenance reserve account; \$250,000 is restricted in the emergency reserve account; and \$166,547 is unassigned which is \$397,649 less than the calculated budgetary unassigned fund balance due to the last two June state aid payments, which are not recognized on the GAAP basis until the fiscal year ended June 30, 2019.

Capital Projects Fund: The (\$696,217) fund balance in the Capital Projects Fund at June 30, 2018, is unassigned which is \$1,041,770 less on a GAAP basis due to the NJ SDA grants which have not been recognized on a GAAP basis.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had no excess surplus at June 30, 2018.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$397,649 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Net Position/Fund Balances:

The District had a deficit in unrestricted net position in governmental activities and in business-type activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred outflows as well as the compensated absences liability. The deficit in unrestricted business-type activities net position is due primarily to the net pension liability and related deferred outflows. The District also had a deficit in the Technology Service Enterprise Fund due primarily to the net pension liability and related deferred outflows. Finally, the District has a deficit in unassigned fund balance in the Capital Projects Fund due to SDA grant revenue not being recognized on a GAAP basis until the related funds are expended and submitted for reimbursement. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2018 related to pensions.

The District had deferred inflows of resources at June 30, 2018 related to pensions.

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

R. Net Position (Cont'd)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had committed resources in the Capital Projects Fund on a budgetary basis at June 30, 2018.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2018.

T. Operating Revenue and Expenses:

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

U. Revenue - Exchange and Nonexchange Transactions:

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

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

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

V. Management Estimates:

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

W. Pensions

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

Investments (Cont'd)

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) 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
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of fund in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

Investments (Cont'd)

- (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2018, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 2,309,983	\$ 2,963,008	\$ 5,272,991
	\$ 2,309,983	\$ 2,963,008	\$ 5,272,991

During the period ended June 30, 2018, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2018, was \$5,272,991 and the bank balance was \$5,760,240.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the Capital Reserve Account for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance at July 1, 2017	\$ 806,865
Interest Earnings	9,097
Unexpended Funds Returned - Capital Projects Fund	555,962
Deposit by Board Resolution June 25, 2018	1,374,909
Withdrawal from Reserve by Board Resolution	<u>(242,125)</u>
Ending Balance at June 30, 2018	<u>\$ 2,504,708</u>

The balance in the Capital Reserve Account at June 30, 2018 does not exceed the local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP"). The withdrawals from the Capital reserve Account were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the Maintenance Reserve Account for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance at July 1, 2017	<u>\$ 208,300</u>
Ending Balance at June 30, 2018	<u><u>\$ 208,300</u></u>

NOTE 6. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the Emergency Reserve Account for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance at July 1, 2017	<u>\$ 250,000</u>
Ending Balance at June 30, 2018	<u><u>\$ 250,000</u></u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2018, the District transferred \$58,767 to capital outlay accounts for the acquisition of equipment which does not require approval of the County Superintendent and to capital outlay accounts for Facilities Acquisition and Construction Services in the amount of \$242,125, for which County Superintendent approval was obtained.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2018 were as follows:

	(Restated) Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 36,845			\$ 36,845
Construction in Progress	133,453	\$ 816,731	\$ (950,184)	
Total Capital Assets not being Depreciated	<u>170,298</u>	<u>816,731</u>	<u>(950,184)</u>	<u>36,845</u>
Capital Assets being Depreciated:				
Site Improvements	2,658,696	4,678	219,671	2,883,045
Buildings and Building Improvements	19,894,739	796,531	730,513	21,421,783
Machinery and Equipment	1,582,381	96,889		1,679,270
Buses and Other Vehicles	19,000			19,000
Total Capital Assets being Depreciated	<u>24,154,816</u>	<u>898,098</u>	<u>950,184</u>	<u>26,003,098</u>
Governmental Activities Capital Assets	<u>24,325,114</u>	<u>1,714,829</u>		<u>26,039,943</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,400,848)	(127,312)		(1,528,160)
Buildings and Building Improvements	(9,265,515)	(503,187)		(9,768,702)
Machinery and Equipment	(704,212)	(128,858)		(833,070)
Buses and Other Vehicles	(19,000)			(19,000)
Total Accumulated Depreciation	<u>(11,389,575)</u>	<u>(759,357)</u>		<u>(12,148,932)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 12,935,539</u>	<u>\$ 955,472</u>	<u>\$ - 0 -</u>	<u>\$ 13,891,011</u>
<b>Business Type Activities:</b>				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 374,000			\$ 374,000
Furniture and Equipment	509,284	\$ 6,694		515,978
Buses & Other Vehicles	4,479,778	587,595		5,067,373
Less Accumulated Depreciation	(3,086,801)	(391,060)		(3,477,861)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,276,261</u>	<u>\$ 203,229</u>	<u>\$ - 0 -</u>	<u>\$ 2,479,490</u>
Total Governmental and Business-Type Activities	<u>\$ 15,211,800</u>	<u>\$ 1,158,701</u>	<u>\$ - 0 -</u>	<u>\$ 16,370,501</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 231,366
Special Education Instruction	52,381
Other Instruction	55,070
Student and Instruction Related Services	214,568
General Administrative Services	22,445
School Administrative Services	22,483
Central Services	19,138
Administrative Information Technology	3,409
Plant Operations and Maintenance	74,575
Pupil Transportation	63,922
	<hr/>
Total Depreciation	<u>\$ 759,357</u>

The District expended \$816,731 towards construction projects in progress and transferred \$950,184 of completed capital projects to depreciable capital assets during the fiscal year. As of June 30, 2018, the District has \$0 in active construction projects.

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2017</u>	<u>Issued/</u> <u>Accrued</u>	<u>Matured/</u> <u>Retired</u>	<u>Balance</u> <u>6/30/2018</u>
<b>Governmental Activities:</b>				
Capital Lease Payable	\$ 763,262	\$ 103,497	\$ 412,474	\$ 454,285
Serial Bonds Payable	1,065,000		535,000	530,000
Unamortized Bond Premium	64,488		32,244	32,244
Net Pension Liability	9,533,252		2,830,296	6,702,956
Compensated Absences Payable	766,698	102,730		869,428
	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities	<u>\$ 12,192,700</u>	<u>\$ 206,227</u>	<u>\$ 3,810,014</u>	<u>\$ 8,588,913</u>
<b>Business-Type Activities:</b>				
Capital Leases Payable	\$ 854,584	\$ 586,486	\$ 442,019	\$ 999,051
Net Pension Liability	4,085,680		601,773	3,483,907
Compensated Absences Payable	82,037	21,055		103,092
	<hr/>	<hr/>	<hr/>	<hr/>
Total Business-Type Activities	<u>\$ 5,022,301</u>	<u>\$ 607,541</u>	<u>\$ 1,043,792</u>	<u>\$ 4,586,050</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

A. Bonds Payable:

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

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

The District had bonds outstanding as of June 30, 2018 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
2012 Refunding Bonds	1/15/2019	4.00%	\$ 530,000

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

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 530,000	\$ 21,200	\$ 551,200
	<u>\$ 530,000</u>	<u>\$ 21,200</u>	<u>\$ 551,200</u>

B. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$32,244.

C. Bonds Authorized But Not Issued:

There were no bonds authorized but not issued as of June 30, 2018.

D. Compensated Absences:

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

D. Compensated Absences: (Cont'd)

of the governmental funds at June 30, 2018 is currently payable; therefore, the long-term liability balance of compensated absences is \$869,428.

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, 2018, the liability for compensated absences in the Transportation Enterprise Fund is \$103,092 and will be liquidated by this fund. No portion is currently payable.

E. Capital Leases:

The District has capital leases related to technology equipment, school buses and other transportation vehicles as well as a window replacement project. The District has entered into capital leases totaling \$1,902,927 of which \$1,448,642 has been liquidated as of June 30, 2018 for governmental activities. The District has entered into capital leases totaling \$1,831,687 of which \$832,636 has been liquidated as of June 30, 2018 for business-type activities. A schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2018 is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
2019	\$ 425,972	\$ 457,454
2020	35,117	457,455
2021		111,156
	<u>461,089</u>	<u>1,026,065</u>
Less: Amount representing interest	<u>(6,804)</u>	<u>(27,014)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 454,285</u>	<u>\$ 999,051</u>

The current portion for governmental leases is \$419,711 and the long-term portion is \$34,574. The current portion for business-type leases is \$441,280 and the long-term portion is \$557,771. The General Fund will liquidated the governmental activities capital leases and the Transportation Enterprise Fund will liquidate the business-type activities capital leases.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental activities is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The PERS net pension liability of the business-type activities is recorded in the current and long-term liabilities and will be liquidated by the Transportation and Technology Services Funds. The current portion of the net pension liability at June 30, 2018 is \$0- and the long-term portion is \$10,186,863 (\$6,702,956 and \$3,483,907 for governmental and business-type activities, respectively). See Note 10 for further information on the PERS.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 10. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

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

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

Contributions

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$405,399 for fiscal year 2017.

The employee contribution rate was 7.34% effective July 1, 2017. 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, 2018, the District reported a liability of \$10,186,863 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.0438%, which was a decrease of 0.0022% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$922,306. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.



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

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 115,559	
	2015	5.72	486,766	
	2016	5.57	1,449,977	
	2017	5.48		\$ (2,044,778)
			<u>2,052,302</u>	<u>(2,044,778)</u>
Changes in Proportion	2014	6.44	105,964	
	2015	5.72	507,245	
	2016	5.57	145,545	
	2017	5.48		(396,088)
			<u>758,754</u>	<u>(396,088)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(122,068)	
	2015	5.00	104,131	
	2016	5.00	436,609	
	2017	5.00	(349,306)	
			<u>69,366</u>	
Difference Between Expected and Actual Experience	2015	5.72	135,051	
	2016	5.57	44,003	
	2017	5.48	60,811	
			<u>239,865</u>	
District Contribution Subsequent to the Measurement Date	2017	1.00	470,317	
			<u>\$ 3,590,604</u>	<u>\$ (2,440,866)</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 seen on the following page:

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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)

Fiscal Year Ending June 30,	Total
2018	\$ 239,809
2019	361,877
2020	219,279
2021	(291,642)
2022	(212,568)
	\$ 316,755

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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, 2016 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the table on the following page.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. 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 3.58% as of June 30, 2017 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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The figure on the following page presents the District's proportionate share of the collective net pension liability as of June 30, 2017 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, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 12,637,495	\$ 10,186,863	\$ 8,145,183

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.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial 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 2018, the State of New Jersey contributed \$943,617 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,000,475.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$43,312,558. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the District's proportion was 0.064%, which was a decrease of 0.003% from its proportion measured as of June 30, 2016.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	43,312,558
Total	<u>\$ 43,312,558</u>

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$3,000,475 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the table on the following page.

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

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.5	\$ 1,383,974,317	
Changes in Assumptions	2015	8.3	3,776,126,119	
Changes in Assumptions	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
			<u>13,378,255,364</u>	<u>11,684,858,458</u>
Difference Between Expected and Actual Experience	2014	8.5		13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	
			<u>441,116,389</u>	<u>115,381,203</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(435,309,142)	
	2015	5	385,284,122	
	2016	5	1,295,565,574	
	2017	5	(904,033,050)	
			<u>341,507,504</u>	
			<u>\$ 14,160,879,257</u>	<u>\$ 11,800,239,661</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 shown in the following:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	<u>(1,714,363,628)</u>
	<u>\$ 2,360,639,596</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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 (7.00% at June 30, 2017) 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, 2017 are summarized in the table on the following page.



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

NOTE 10. PENSION PLANS (Cont'd)

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>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2036. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2017		
	At 1% Decrease (3.25%)	At Current Discount Rate (4.25%)	At 1% Increase (5.25%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 51,456,678	\$ 43,312,558	\$ 36,603,397

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 \$34,886 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$63,958 for the fiscal year ended June 30, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 11. RISK MANAGEMENT

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

Property and Liability Insurance

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

As a member of the NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the NJSIG were to be exhausted, members would become responsible for their respective shares of the NJSIG's liabilities.

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

Selected, summarized financial information as of June 30, 2018 is as follows:

	<u>NJ Schools Insurance Group</u>
Total Assets	\$ 348,953,830
Net Position	\$ 82,580,855
Total Revenue	\$ 133,258,299
Total Expenses	\$ 129,340,074
Change in Net Position	\$ 3,918,225
Members Dividends	\$ -0-

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

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

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

NOTE 11. RISK MANAGEMENT (Cont'd)

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.

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

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 23,707	\$ 16,622	\$ 144,903
2016-2017	23,061	33,974	137,818
2015-2016	21,796	17,562	148,731

NOTE 12. 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 13. DEFERRED COMPENSATION

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
 (Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Grant Programs

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

Encumbrances

At June 30, 2018, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 286,125	\$ 9,139	\$ 295,264

On the District's Governmental Funds Balance Sheet as of June 30, 2018, \$9,139 is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, actual encumbrances of \$9,139 are not recognized until paid and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2018:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 5,000	
Capital Projects Fund		\$ 696,217
Enterprise Funds - Transportation Service Fund	696,217	
Fiduciary Funds:		
Payroll Agency Fund		5,000
	\$ 701,217	\$ 701,217

The interfund receivable in the General Fund is comprised of a prior year interfund advanced to the Net Payroll account which was not settled. The interfund receivable in the Transportation Service Fund is for cash advanced to the Capital Projects Fund.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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. PRIOR PERIOD ADJUSTMENTS

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

	<u>Balance 6/30/17</u>		<u>Balance</u>
	as Previously	Retroactive	6/30/2017
	<u>Reported</u>	<u>Adjustments</u>	<u>as Restated</u>
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
ASSETS			
Capital Assets:			
Depreciable Site Improvements, Building and			
Building Improvements and Machinery,			
Equipment, Buses and Other Vehicles	\$12,619,098	\$ 146,143	\$12,765,241
Total Assets	15,852,844	146,143	15,998,987
LIABILITIES			
Noncurrent Liabilities:			
Due Beyond One Year			
Total Liabilities			
NET POSITION			
Net Investment in Capital Assets	11,080,078	146,143	11,226,221
Total Net Position	6,053,492	146,143	6,199,635

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

NOTE 17. PRIOR PERIOD ADJUSTMENTS (Cont'd)

	Balance 6/30/17 as Previously Reported	Retroactive Adjustments	Balance 6/30/2017 as Restated
<u>Business-Type Activities:</u>			
ASSETS			
Capital Assets:			
Depreciable Site Improvements, Building and Building Improvements and Furniture, Equipment, Buses and Other Vehicles	\$ 2,529,517	\$ (253,256)	\$ 2,276,261
Total Assets	4,549,719	(253,256)	4,296,463
NET POSITION			
Net Investment in Capital Assets	1,674,933	(253,256)	1,421,677
Total Net Position	893,443	(253,256)	640,187
<u>Statement of Net Position - Proprietary Funds:</u>			
<u>Transportation Services Fund:</u>			
ASSETS			
Non-Current Assets:			
Capital Assets:			
Less: Accumulated Depreciation	(2,665,289)	(253,256)	(2,918,545)
Total Non-Current Assets	2,500,067	(253,256)	2,246,811
Total Assets	4,487,922	(253,256)	4,234,666
NET POSITION			
Net Investment in Capital Fund	1,645,483	(253,256)	1,392,227
Total Net Position	1,243,570	(253,256)	990,314
<u>Statement of Revenue, Expenditures, and Changes in Net Position - Proprietary Funds:</u>			
<u>Transportation Services Fund:</u>			
Net Position - Beginning of Year	1,243,570	(253,256)	990,314

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

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental and Business-Type activities as of June 30, 2018 consisted of the following:

	<u>Governmental Funds</u>		District	Total	<u>Business-Type</u>
	General	Special	Contribution	Governmental	<u>Activities</u>
	Fund	Revenue	Subsequent to the	Activities	Proprietary
		Fund	Measurement Date		Funds
Vendors	\$ 47,241	\$ 225		\$ 47,466	\$ 13,692
State of New Jersey			\$ 300,000	300,000	170,317
	<u>\$ 47,241</u>	<u>\$ 225</u>	<u>\$ 300,000</u>	<u>\$ 347,466</u>	<u>\$ 184,009</u>

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.



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(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Plan Description and Benefits Provided (Cont'd)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

Employees Covered by Benefit Terms

At June 30, 2016, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	223,747
Total	366,078

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

	Total OPEB Liability
Balance at June 30, 2016	\$57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	45,748,749
Net Changes	(4,191,942,326)
Balance at June 30, 2017	\$53,639,841,858

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
	Total OPEB Liability Attributable to the District	\$ 47,921,339	\$ 40,369,357

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
	Total OPEB Liability Attributable to the District	\$ 52,148,631	\$ 43,528,971

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	Total OPEB Liability Attributable to the District	\$ 33,199,894	\$ 40,369,357

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

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate (Cont'd)

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 35,716,733	\$ 43,528,971	\$ 53,973,189

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$2,566,571 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes		\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	\$ 1,190,373,242	
	\$ 1,190,373,242	\$ (6,343,769,032)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB  
(Cont'd)

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	<u>(2,629,618,547)</u>
	<u>\$ (6,343,769,032)</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's proportion of the net pension liability	0.0392986012%	0.0448400301%	0.0459832922%	0.0437610077%
District's proportionate share of the net pension liability	\$ 7,357,773	\$ 10,065,688	\$ 13,618,932	\$ 10,186,863
District's covered employee payroll	\$ 2,714,262	\$ 3,013,003	\$ 2,908,294	\$ 2,963,231
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	271.08%	334.07%	468.28%	343.78%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually required contribution	\$ 323,972	\$ 385,504	\$ 408,509	\$ 405,399
Contributions in relation to the contractually required contribution	(323,972)	(385,504)	(408,509)	(405,399)
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,714,262	\$ 2,714,262	\$ 3,013,003	\$ 2,908,294
Contributions as a percentage of covered employee payroll	11.94%	14.20%	13.56%	13.94%

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



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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.0629948550%	0.0663410504%	0.0645664376%	0.0642394571%
State's proportionate share of the net pension liability attributable to the District	\$ 33,668,700	\$ 41,930,377	\$ 50,792,071	\$ 43,312,558
District's covered employee payroll	\$ 6,394,597	\$ 6,576,522	\$ 6,583,410	\$ 6,889,355
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	526.52%	637.58%	771.52%	628.69%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Contractually required contribution	\$ 1,811,692	\$ 2,560,227	\$ 3,816,317	\$ 3,000,475
Contributions in relation to the contractually required contribution	(358,664)	(516,944)	(697,303)	(943,617)
Contribution deficiency/(excess)	<u>\$ 1,453,028</u>	<u>\$ 2,043,283</u>	<u>\$ 3,119,014</u>	<u>\$ 2,056,858</u>
District's covered employee payroll	\$ 6,394,597	\$ 6,576,522	\$ 6,583,410	\$ 6,889,355
Contributions as a percentage of covered employee payroll	28.33%	38.93%	57.97%	43.55%

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Years Ending	
	June 30, 2016	June 30, 2017
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	(1,223,298,019)	(1,242,412,566)
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	46,849,651,824	57,831,784,184
Total OPEB Liability - Ending	<u>\$ 57,831,784,184</u>	<u>\$ 53,639,841,858</u>
State's Covered Employee Payroll *	\$ 13,493,400,208	\$ 13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

\* - Covered payroll for the fiscal years ending June 30, 2016 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

BUDGETARY COMPARISON SCHEDULES

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 14,031,941		\$ 14,031,941	\$ 14,031,941	
Tuition from Other Governmental Sources within the State				5,514	\$ 5,514
Tuition from Other LEAs Within the State	81,238		81,238	39,343	(41,895)
Rents and Royalties	472,347		472,347	510,440	38,093
Interest Earned on Capital Reserve Funds	350		350	9,097	8,747
Unrestricted Miscellaneous Revenues	49,000		49,000	127,034	78,034
<b>Total - Local Sources</b>	<b>14,634,876</b>		<b>14,634,876</b>	<b>14,723,369</b>	<b>88,493</b>
State Sources:					
Categorical Special Education Aid	592,662		592,662	592,662	
Equalization Aid	3,173,700		3,173,700	3,173,700	
Categorical Security Aid	74,763		74,763	74,763	
Categorical Transportation Aid	116,642		116,642	116,642	
Adjustment Aid	21,693		21,693	21,693	
PARCC Readiness Aid	9,080		9,080	9,080	
Per Pupil Growth Aid	9,080		9,080	9,080	
Professional Learning Community Aid	8,210		8,210	8,210	
Extraordinary Aid				201,658	201,658
Additional Non-Public Transportation Aid				3,506	3,506
On-Behalf TPAF Pension Contributions (Non-Budgeted)				943,617	943,617
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				22,899	22,899
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				624,252	624,252
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,194	1,194
Reimbursed TPAF Social Security Contributions (non-budgeted)				481,259	481,259
<b>Total State Sources</b>	<b>4,005,830</b>		<b>4,005,830</b>	<b>6,284,215</b>	<b>2,278,385</b>
<b>TOTAL REVENUES</b>	<b>18,640,706</b>		<b>18,640,706</b>	<b>21,007,584</b>	<b>2,366,878</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Undistributed Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 3,994,815	\$ (132,710)	\$ 3,862,105	\$ 3,753,055	\$ 109,050
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000		30,000	12,385	17,615
Purchased Professional - Educational Services	15,000	3,350	18,350	17,547	803
Other Purchased Services (400-500 Series)	2,000	(1,350)	650	650	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	110,600		110,600	81,998	28,602
Purchased Professional - Educational Services	10,595	(368)	10,227	8,442	1,785
Other Purchased Services (400-500 Series)	376,339	(23,014)	353,325	290,874	62,451
General Supplies	267,061	37,741	304,802	256,257	48,545
Textbooks	19,097	1,467	20,564	3,816	16,748
Other Objects	7,292	387	7,679	5,579	2,100
<b>Total Regular Programs - Instruction</b>	<u>4,832,799</u>	<u>(114,497)</u>	<u>4,718,302</u>	<u>4,430,603</u>	<u>287,699</u>
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	187,185		187,185	185,333	1,852
Other Salaries for Instruction	8,500		8,500	6,183	2,317
Other Purchased Services (400-500 Series)	600		600	103	497
General Supplies	4,453		4,453	4,019	434
Other Objects	800		800	775	25
<b>Total Multiple Disabilities</b>	<u>201,538</u>		<u>201,538</u>	<u>196,413</u>	<u>5,125</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 847,945	\$ (7,725)	\$ 840,220	\$ 776,002	\$ 64,218
Other Salaries for Instruction	29,650		29,650	27,849	1,801
General Supplies	2,000	25	2,025	2,025	
Total Resource Room/Resource Center	879,595	(7,700)	871,895	805,876	66,019
Total Special Education Instruction	1,081,133	(7,700)	1,073,433	1,002,289	71,144
Bilingual Education - Instruction:					
General Supplies	2,000		2,000	356	1,644
Total Bilingual Education - Instruction	2,000		2,000	356	1,644
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	199,500		199,500	186,030	13,470
Purchased Services (300-500 Series)	10,600	3,972	14,572	14,572	
Supplies and Materials	4,900	(61)	4,839	4,602	237
Other Objects	13,000	(3,911)	9,089	6,603	2,486
Total School-Sponsored Cocurricular Activities - Instruction	228,000		228,000	211,807	16,193
School-Sponsored Athletics - Instruction:					
Salaries	641,131		641,131	630,519	10,612
Purchased Services (300-500 Series)	48,035	1,465	49,500	46,682	2,818
Supplies and Materials	107,093	5,500	112,593	111,509	1,084
Other Objects	26,139	(1,465)	24,674	22,975	1,699
Transfer to Cover Deficit (Agency Funds)	53,384		53,384	29,900	23,484
Total School-Sponsored Athletics - Instruction	875,782	5,500	881,282	841,585	39,697
Total Instruction	7,019,714	(116,697)	6,903,017	6,486,640	416,377



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within State - Regular	\$ 20,000	\$ 19,498	\$ 19,498	\$ 6,949	\$ 12,549
Tuition to Other LEAs Within State - Special	982,862	15,882	35,882	35,557	325
Tuition to County Vocational School District - Regular	5,000	(118,940)	863,922	816,255	47,667
Tuition to County Vocational School District - Special		118,940	123,940	123,940	
Tuition to CSSD & Regular Day Schools	429,422	2,351	2,351	2,351	
Tuition to Private Schools for the Handicapped - Within State	1,437,284	47,380	476,802	351,113	125,689
Total Undistributed Expenditures - Instruction		85,111	1,522,395	1,336,165	186,230
Health Services:					
Salaries	143,040	16,744	159,784	159,784	
Purchased Professional and Technical Services	34,875	(7,176)	27,699	11,434	16,265
Other Purchased Services (400-500 Series)	900	4,288	5,188	5,059	129
Supplies and Materials	36,654	(2,421)	34,233	33,555	678
Other Objects	250	8	258	258	
Total Health Services	215,719	11,443	227,162	210,090	17,072
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	65,116		65,116	59,166	5,950
Purchased Professional - Educational Services	56,500		56,500	43,180	13,320
Supplies and Materials	1,000		1,000		1,000
Total Other Support Services - Speech, OT, PT and Related Services	122,616		122,616	102,346	20,270
Other Support Services - Students - Extraordinary Services:					
Salaries	412,938		412,938	402,449	10,489
Supplies and Materials	7,000		7,000	4,083	2,917
Total Other Support Services - Students - Extraordinary Services	419,938		419,938	406,532	13,406

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Other Support Services - Guidance:					
Salaries of Other Professional Staff	\$ 461,241	\$ (15,752)	\$ 445,489	\$ 445,489	
Salaries of Secretarial and Clerical Assistants	97,290		97,290	97,290	
Other Salaries	20,000	1,610	21,610	21,610	
Purchased Professional - Educational Services	1,900	360	2,260	2,260	
Other Purchased Professional and Technical Services	52,000		52,000	47,857	\$ 4,143
Other Purchased Services (400-500 Series)	9,200	(360)	8,840	6,598	2,242
Supplies and Materials	4,758		4,758	2,061	2,697
Other Objects	500	(87)	413	143	270
<b>Total Other Support Services - Guidance</b>	<b>646,889</b>	<b>(14,229)</b>	<b>632,660</b>	<b>623,308</b>	<b>9,352</b>
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	455,517	593	456,110	456,110	
Salaries of Secretarial and Clerical Assistants	42,271	(593)	41,678	39,669	2,009
Other Salaries	12,000		12,000	10,286	1,714
Purchased Professional - Technical Services	8,900		8,900	2,645	6,255
Other Purchased Services (400-500 Series)	14,390		14,390	5,381	9,009
Miscellaneous Purchased Services (400-500 series)	3,400		3,400	78	3,322
Supplies and Materials	2,500		2,500	1,339	1,161
Other Objects	2,000		2,000	820	1,180
<b>Total Other Support Services - Child Study Team</b>	<b>540,978</b>		<b>540,978</b>	<b>516,328</b>	<b>24,650</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 206,100	\$ 132,710	\$ 338,810	\$ 337,930	\$ 880
Salaries of Other Professional Staff	31,755		31,755	29,102	2,653
Salaries of Secretarial and Clerical Assistants	48,645		48,645	48,645	
Other Purchased Services (400-500 series)	17,763		17,763	12,107	5,656
Supplies and Materials	2,000	1,180	3,180	1,087	2,093
Other Objects	4,100		4,100	2,639	1,461
<b>Total Improvement of Instructional Services</b>	<b>310,363</b>	<b>133,890</b>	<b>444,253</b>	<b>431,510</b>	<b>12,743</b>
<b>Educational Media Services/School Library:</b>					
Salaries	162,278	744	163,022	138,109	24,913
Salaries of Technology Coordinators	305,019	6,956	311,975	288,648	23,327
Purchased Professional and Technical Services	3,000		3,000	2,237	763
Other Purchased Services (400-500 series)	3,600		3,600	199	3,401
Supplies and Materials	32,325		32,325	30,405	1,920
Other Objects	100		100	65	35
<b>Total Educational Media Services/School Library</b>	<b>506,322</b>	<b>7,700</b>	<b>514,022</b>	<b>459,663</b>	<b>54,359</b>
<b>Instructional Staff Training Services:</b>					
Salaries of Other Professional Staff	5,120	11,000	16,120	10,274	5,846
Purchased Professional - Educational Services	7,200		7,200	442	6,758
Other Purchased Services (400-500 Series)	20,114		20,114	4,267	15,847
Supplies and Materials	725		725		725
<b>Total Instructional Staff Training Services</b>	<b>33,159</b>	<b>11,000</b>	<b>44,159</b>	<b>14,983</b>	<b>29,176</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - General Administration:					
Salaries	\$ 208,290	\$ 4,408	\$ 212,698	\$ 212,698	
Legal Services	40,000	(22,612)	17,388	15,825	\$ 1,563
Audit Fees	28,000	50	28,050	28,050	
Architectural/Engineering Services	9,000	6,415	15,415	9,743	5,672
Other Purchased Professional Services	18,535	(41)	18,494	18,003	491
Communications/Telephone	26,620	3,758	30,378	30,378	
BOE Other Purchased Services	5,500		5,500	3,634	1,866
Miscellaneous Purchased Services (400-500 Series)	67,000	(50)	66,950	64,451	2,499
General Supplies	8,150		8,150	7,668	482
BOE In-house Training/Meeting Supplies	2,500		2,500	1,560	940
Judgement Against the School District	22,000		22,000	22,000	
Miscellaneous Expenditures	4,675	(1,256)	3,419	3,419	
BOE Membership Dues and Fees	11,255	1,297	12,552	12,052	500
<b>Total Support Services - General Administration</b>	<b>451,525</b>	<b>(8,031)</b>	<b>443,494</b>	<b>429,481</b>	<b>14,013</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	263,959		263,959	263,959	
Salaries of Secretarial and Clerical Assistants	139,855		139,855	139,855	
Other Salaries	5,000		5,000	5,000	
Purchased Professional and Technical Services	3,000	(3,000)			
Other Purchased Services (400-500 Series)	2,250		2,250	1,169	1,081
Supplies and Materials	19,700	3,000	22,700	18,492	4,208
Other Objects	2,640		2,640	1,944	696
<b>Total Support Services - School Administration</b>	<b>436,404</b>		<b>436,404</b>	<b>430,419</b>	<b>5,985</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Central Services:					
Salaries	\$ 304,758	\$ 8,031	\$ 312,789	\$ 311,059	\$ 1,730
Purchased Professional Services	17,800	17,880	17,880	17,120	760
Purchased Professional Services - Public Relation Costs	23,939	(17,800)	23,163	18,800	4,363
Purchased Technical Services	6,650	(776)	7,341	5,637	1,704
Miscellaneous Purchased Services (400-500 Series)	5,000	691	5,000	3,301	1,699
Supplies and Materials	9,919		9,919	9,919	
Interest on Lease Purchase Agreements	1,965	5	1,970	360	1,610
Miscellaneous Expenditures					
<b>Total Central Services</b>	<b>370,031</b>	<b>8,031</b>	<b>378,062</b>	<b>366,196</b>	<b>11,866</b>
Administrative Information Technology:					
Salaries	66,433		66,433	60,645	5,788
Other Purchased Services (400-500 Series)	3,200		3,200	159	3,041
Supplies and Materials	1,517	2,938	4,455	4,435	20
<b>Total Administrative Information Technology</b>	<b>71,150</b>	<b>2,938</b>	<b>74,088</b>	<b>65,239</b>	<b>8,849</b>
Required Maintenance of School Facilities:					
Salaries	196,878	(39,145)	157,733	146,792	10,941
Cleaning, Repair and Maintenance Services	221,150		221,150	210,542	10,608
Lead Testing of Drinking Water	4,000	(4,000)			
General Supplies	46,000	(10,000)	36,000	6,800	29,200
Other Objects	3,000		3,000		3,000
<b>Total Required Maintenance of School Facilities</b>	<b>471,028</b>	<b>(53,145)</b>	<b>417,883</b>	<b>364,134</b>	<b>53,749</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Custodial Services:					
Salaries	\$ 402,601	\$ 36,964	\$ 439,565	\$ 403,077	\$ 36,488
Purchased Professional and Technical Services	23,810	(836)	22,974	15,527	7,447
Cleaning, Repair and Maintenance Services	49,200	1,038	50,238	50,108	130
Rental of Land and Bldg. Other than Lease Purchase Agreement	1,600		1,600	392	1,208
Insurance	70,000	(24,002)	45,998	45,995	3
Miscellaneous Purchased Services	4,200		4,200	2,618	1,582
General Supplies	74,519		74,519	71,948	2,571
Energy (Electricity)	210,000		210,000	142,661	67,339
Energy (Natural Gas)	1,000		1,000	119	881
Energy (Oil)	150,000	(21,397)	128,603	103,505	25,098
Other Objects	1,250		1,250	630	620
<b>Total Custodial Services</b>	<b>988,180</b>	<b>(8,233)</b>	<b>979,947</b>	<b>836,580</b>	<b>143,367</b>
Care and Upkeep of Grounds:					
Salaries	101,326	2,181	103,507	102,723	784
Cleaning, Repair and Maintenance Services	53,963	12,564	66,527	66,327	200
General Supplies	33,921	(3)	33,918	33,872	46
<b>Total Care and Upkeep of Grounds</b>	<b>189,210</b>	<b>14,742</b>	<b>203,952</b>	<b>202,922</b>	<b>1,030</b>
Security:					
Purchased Professional and Technical Services	8,200		8,200	5,159	3,041
Cleaning, Repair and Maintenance Services	8,000	(5,700)	2,300		2,300
General Supplies	12,413	7,473	19,886	18,177	1,709
<b>Total Security</b>	<b>28,613</b>	<b>1,773</b>	<b>30,386</b>	<b>23,336</b>	<b>7,050</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Student Transportation Services:					
Contracted Services:					
Aid in Lieu Payments - Nonpublic School Students	\$ 10,608	\$ 2,465	\$ 13,073	\$ 9,767	\$ 3,306
Aid in Lieu Payments - Choice School Students	6,188		6,188	2,000	4,188
Other than Between Home and School - Vendors	136,000	(607)	135,393	121,567	13,826
Special Education Students - ESC & CTSA	351,594	2,507	354,101	342,726	11,375
Regular Students - ESC & CTSA	781,068	(3,900)	777,168	747,071	30,097
Total Student Transportation Services	1,285,458	465	1,285,923	1,223,131	62,792
Unallocated Benefits:					
Group Insurance	340	340	680	347	333
Social Security Contributions	260,000		260,000	254,826	5,174
Other Retirement Contribution - PERS	296,000		296,000	274,906	21,094
Other Retirement Contribution - Regular	1,350	1,950	3,300	1,118	2,182
Workmen's Compensation	115,000	(1,950)	113,050	100,069	12,981
Health Benefits	2,359,059	(340)	2,358,719	2,079,187	279,532
Tuition Reimbursement	31,777	5,250	37,027	26,878	10,149
Other Employee Benefits	356,400	(22,251)	334,149	242,654	91,495
Unused Sick Payment to Terminated/Retired Staff		17,000	17,000		17,000
Total Unallocated Benefits	3,419,926	(1)	3,419,925	2,979,985	439,940

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				\$ 943,617	\$ (943,617)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				22,899	(22,899)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				624,252	(624,252)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,194	(1,194)
Reimbursed TPAF Social Security Contributions (non-budgeted)				481,259	(481,259)
Total On-Behalf and Reimbursed Contributions				2,073,221	(2,073,221)
Total Undistributed Expenses	\$ 11,944,793	\$ 193,454	\$ 12,138,247	13,095,569	(957,322)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>18,964,507</b>	<b>76,757</b>	<b>19,041,264</b>	<b>19,582,209</b>	<b>(540,945)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 9-12	21,905	(708)	21,197	20,997	200
Central Services	2,218		2,218	2,218	
School Sponsored Other Instructional Programs		3,500	3,500	3,500	
Support Services - Related and Extraordinary Expenditures		2,786	2,786	2,786	
Administrative Information Technology		6,323	6,323	6,323	
Care and Upkeep of Grounds		36,000	36,000		36,000
Custodial Services		10,836	10,836	10,831	5
Undistributed Expenditures - Non-Instructional Services	6,694		6,694	6,694	
Total Equipment	30,817	58,737	89,554	53,349	36,205



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY:</b>					
Facilities Acquisition and Construction Services:					
Construction Services	\$ 198,310	\$ 198,310	\$ 198,310	\$ 198,310	\$ 198,310
Architectural/Engineering Services	43,815	43,815	43,815	43,753	62
Lease Purchase Agreements - Principal	\$ 318,556	318,556	318,556	318,555	1
Assessment for Debt Service on SDA Funding	26,981	26,981	26,981	26,981	
Total Facilities Acquisition and Construction Services	345,537	242,125	587,662	389,289	198,373
Assets Acquired Under Capital Leases (non-budgeted):					
Operation and Maintenance of Plant Services/Regular Instruction				103,497	(103,497)
Total Assets Acquired Under Capital Leases (non-budgeted)				103,497	(103,497)
<b>TOTAL CAPITAL OUTLAY</b>	<b>376,354</b>	<b>300,862</b>	<b>677,216</b>	<b>546,135</b>	<b>131,081</b>
<b>TOTAL EXPENDITURES</b>	<b>19,340,861</b>	<b>377,619</b>	<b>19,718,480</b>	<b>20,128,344</b>	<b>(409,864)</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(700,155)	(377,619)	(1,077,774)	879,240	1,957,014
Other Financing Sources:					
Capital Leases (non-budgeted)				103,497	103,497
Transfers In:					
Transfer from Capital Project Fund - Unexpended Balance				555,962	555,962
Total Other Financing Sources				659,459	659,459
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(700,155)	(377,619)	(1,077,774)	1,538,699	2,616,473
Fund Balance, July 1	2,474,630		2,474,630	2,474,630	
Fund Balance, June 30	\$ 1,774,475	\$ (377,619)	\$ 1,396,856	\$ 4,013,329	\$ 2,616,473

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
<u>Restricted:</u>					
Capital Reserve				\$ 2,504,708	
Maintenance Reserve				208,300	
Emergency Reserve				250,000	
<u>Assigned:</u>					
Year-End Encumbrances				286,125	
Designated for Subsequent Year's Expenditures				200,000	
Unassigned				564,196	
				<u>4,013,329</u>	
				<u>(397,649)</u>	
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>					
Last State Aid Payments not Recognized on GAAP Basis					\$ 3,615,680
Fund Balance per Governmental Funds (GAAP)					<u><u>3,615,680</u></u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 6,441	\$ 6,441	\$ 4,257	\$ (2,184)
State Sources		67,368	67,368	62,618	(4,750)
Federal Sources	\$ 174,835	45,803	220,638	204,824	(15,814)
Total Revenues	174,835	119,612	294,447	271,699	(22,748)
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	16,022	45,146	61,168	44,591	16,577
Tuition	149,520	29,396	178,916	178,916	
Other Purchased Services		1,092	1,092		1,092
General Supplies		4,404	4,404	3,134	1,270
Total Instruction	165,542	80,038	245,580	226,641	18,939
Support Services:					
Salaries		9,275	9,275	9,275	
Personal Services - Employee Benefits		6,317	6,317	6,317	
Other Purchased Services	9,293	23,982	33,275	29,466	3,809
Total Support Services	9,293	39,574	48,867	45,058	3,809
Total Expenditures	\$ 174,835	\$ 119,612	\$ 294,447	\$ 271,699	\$ 22,748

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 21,007,584	\$ 271,699
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not		
Prior Year Encumbrances		404
Cancellation of Prior Year Encumbrances		(218)
Current Year Encumbrances		(9,139)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	397,885	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(397,649)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 21,007,820</u>	<u>\$ 262,746</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 20,128,344	\$ 271,699
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		404
Cancellation of Prior Year Encumbrances		(218)
Current Year Encumbrances		<u>(9,139)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 20,128,344</u>	<u>\$ 262,746</u>

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, 2018 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

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 June state aid payments for the current year. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Elementary and Secondary Education Act	I.D.E.A. Part B, Basic	Emergency Impact Aid for Displaced Students	Vocational State Shared Grant	Other Local Grants	Totals June 30, 2018
	Title I Part A	Title III Title IV				
<b>REVENUE:</b>						
Local Sources					\$ 4,257	\$ 4,257
State Sources				\$ 62,618		62,618
Federal Sources	\$ 7,171	\$ 877	\$ 7,860			204,824
<b>Total Revenue</b>	<b>7,171</b>	<b>877</b>	<b>7,860</b>	<b>62,618</b>	<b>4,257</b>	<b>271,699</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries	7,171					44,591
Tuition						178,916
General Supplies		877			2,257	3,134
<b>Total Instruction</b>	<b>7,171</b>	<b>877</b>	<b>4,750</b>	<b>37,420</b>	<b>2,257</b>	<b>226,641</b>
Support Services:						
Salaries						
Personal Services -					2,000	9,275
Employee Benefits						6,317
Other Purchased Services	10,000		7,860			29,466
<b>Total Support Services</b>	<b>10,000</b>	<b>7,860</b>	<b>4,750</b>	<b>25,198</b>	<b>2,000</b>	<b>45,058</b>
<b>Total Expenditures</b>	<b>\$ 7,171</b>	<b>\$ 877</b>	<b>\$ 7,860</b>	<b>\$ 62,618</b>	<b>\$ 4,257</b>	<b>\$ 271,699</b>



CAPITAL PROJECTS FUND

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ (369,276)
Total Revenue and Other Financing Sources	<u>(369,276)</u>
Expenditures:	
Legal Services	7,122
Architectural Services	25,218
Construction Services	798,719
Other Purchased Services	126
Transfers Out:	
Transfer to General Fund - Unexpended Project Balances	<u>555,962</u>
Total Expenditures	<u>1,387,147</u>
Deficit of Revenue and Other Financing Source Under Expenditures	(1,756,423)
Fund Balance - Beginning Balance	<u>2,101,976</u>
Fund Balance - Ending Balance	<u>\$ 345,553</u>
<u>Recapitulation of Fund Balance:</u>	
Committed Fund Balance (Budgetary Basis)	\$ 345,553
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(1,041,770)</u>
Fund Balance/(Deficit) per Governmental Funds (GAAP)	<u>\$ (696,217)</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
WINDOW REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Total	Authorized Cost
<b>Revenue and Other Financing Sources:</b>				
Lease Proceeds	\$ 1,562,654		\$ 1,562,654	\$ 1,562,654
State Sources - SDA Grant	1,041,770		1,041,770	1,041,770
<b>Total Revenue and Other Financing Sources</b>	<b>2,604,424</b>		<b>2,604,424</b>	<b>2,604,424</b>
<b>Expenditures:</b>				
Legal Services	14,176	\$ 1,101	15,277	15,277
Architectural Services	184,862		184,862	184,862
Construction Services	2,030,036		2,030,036	2,375,588
Other Purchased Services	2,727		2,727	2,727
Supplies and Materials	25,969		25,969	25,970
<b>Total Expenditures</b>	<b>2,257,770</b>	<b>1,101</b>	<b>2,258,871</b>	<b>2,604,424</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 346,654</b>	<b>\$ (1,101)</b>	<b>\$ 345,553</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	1050-040-14-1002
Grant Date	2/4/2015
Bond Authorization Date	N/A
Original Authorized Cost	\$ 2,604,424
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	87%
Original Target Completion Date	9/1/2015
Revised Target Completion Date	6/30/2019

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
POTABLE WELL REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Total	Revised Authorized Cost
<b>Revenue and Other Financing Sources:</b>				
Transfer from Capital Reserve	\$ 141,668	\$ (10,684)	\$ 130,984	\$ 130,984
State Sources - SDA Grant	94,445	(5,758)	88,687	88,687
<b>Total Revenue and Other Financing Sources</b>	<b>236,113</b>	<b>(16,442)</b>	<b>219,671</b>	<b>219,671</b>
<b>Expenditures:</b>				
Architectural Services	12,218	3,940	16,158	16,158
Construction Services	19,864	182,498	202,362	202,362
Other Purchased Services	1,025	126	1,151	1,151
<b>Total Expenditures</b>	<b>33,107</b>	<b>186,564</b>	<b>219,671</b>	<b>219,671</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 203,006</b>	<b>\$ (203,006)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

**Additional Project Information:**

Project Number	1050-040-14-1005
Grant Date	4/4/2015
Bond Authorization Date	N/A
Original Authorized Cost	\$ 236,113
Reduction in Authorized Cost	\$ (16,442)
Revised Authorized Cost	\$ 219,671
Percentage Decrease over Original Authorized Cost	-7%
Percentage Completion	100%
Original Target Completion Date	9/1/2017
Revised Target Completion Date	11/1/2017

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
AUDITORIUM HVAC REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Total	Revised Authorized Cost
<b>Revenue and Other Financing Sources:</b>				
Transfer from Capital Reserve	\$ 982,925	\$ (545,278)	\$ 437,647	\$ 437,647
State Sources - SDA Grant	655,283	(363,518)	291,765	291,765
<b>Total Revenue and Other Financing Sources</b>	<b>1,638,208</b>	<b>(908,796)</b>	<b>729,412</b>	<b>729,412</b>
<b>Expenditures:</b>				
Legal Services	53	262	315	315
Architectural Services	39,671	12,583	52,254	52,254
Construction Services	59,966	616,221	676,187	676,187
Other Purchased Services	656		656	656
<b>Total Expenditures</b>	<b>100,346</b>	<b>629,066</b>	<b>729,412</b>	<b>729,412</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 1,537,862</b>	<b>\$ (1,537,862)</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>

**Additional Project Information:**

Project Number	1050-040-14-1006
Grant Date	8/18/2016
Bond Authorization Date	N/A
Original Authorized Cost	\$ 1,638,208
Reduction in Authorized Cost	\$ (908,796)
Revised Authorized Cost	\$ 729,412
Percentage Decrease over Original Authorized Cost	-55%
Percentage Completion	100%
Original Target Completion Date	10/31/2017

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS  
SOLAR PROJECT BUYBACK PROGRAM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Private Contribution	\$ 126,250		\$ 126,250	\$ 126,250
Total Revenue and Other Financing Sources	126,250		126,250	126,250
Expenditures:				
Legal Services	33,241	\$ 5,759	39,000	39,000
Architectural Services	17,805	8,695	26,500	26,500
Construction Services	60,750		60,750	60,750
Total Expenditures	111,796	14,454	126,250	126,250
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 14,454	\$ (14,454)	\$ - 0 -	\$ - 0 -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 126,250
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	6/30/2018

PROPRIETARY FUNDS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Total</u>	<u>Total</u>
	<u>Transportation Service Fund</u>	<u>Food Service Fund</u>	<u>Technology Service Fund</u>	<u>Non-Major Funds</u>	
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,271,232	\$ 18,721	\$ 1,157	\$ 19,878	\$ 1,291,110
Intergovernmental Accounts Receivable:					
State		42		42	42
Federal		782		782	782
Other	340,642		40	40	340,682
Interfund Receivable	696,217				696,217
Inventories		3,090		3,090	3,090
Total Current Assets	<u>2,308,091</u>	<u>22,635</u>	<u>1,197</u>	<u>23,832</u>	<u>2,331,923</u>
Non-Current Assets:					
Capital Assets:					
Depreciable Buildings and Building Improvements, Furniture, Equipment, Buses, and Other Vehicles	6,942,870	204,400		204,400	7,147,270
Less: Accumulated Depreciation	<u>(3,302,361)</u>	<u>(175,500)</u>		<u>(175,500)</u>	<u>(3,477,861)</u>
Total Non-Current Assets	<u>3,640,509</u>	<u>28,900</u>		<u>28,900</u>	<u>3,669,409</u>
Total Assets	<u>5,948,600</u>	<u>51,535</u>	<u>1,197</u>	<u>52,732</u>	<u>6,001,332</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows Related to Pensions	1,070,604		166,851	166,851	1,237,455
Total Deferred Outflows of Resources	<u>1,070,604</u>		<u>166,851</u>	<u>166,851</u>	<u>1,237,455</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable	160,692		23,317	23,317	184,009
Contracts Payable	1,190,092				1,190,092
Other Current Liability	283				283
Unearned Revenue - Prepaid Balances		8,312		8,312	8,312
Unearned Revenue - Donated Commodities		921		921	921
Total Current Liabilities	<u>1,351,067</u>	<u>9,233</u>	<u>23,317</u>	<u>32,550</u>	<u>1,383,617</u>
Long-Term Liabilities:					
Capital Leases - Due Within One Year	441,280				441,280
Capital Leases - Due Beyond One Year	557,771				557,771
Compensated Absences - Due Beyond One Year	103,092				103,092
Net Pension Liability - Due Beyond One Year	3,015,311		468,596	468,596	3,483,907
Total Long-Term Liabilities	<u>4,117,454</u>		<u>468,596</u>	<u>468,596</u>	<u>4,586,050</u>
Total Liabilities	<u>5,468,521</u>	<u>9,233</u>	<u>491,913</u>	<u>501,146</u>	<u>5,969,667</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows Related to Pensions	722,496		112,280	112,280	834,776
Total Deferred Inflows of Resources	<u>722,496</u>		<u>112,280</u>	<u>112,280</u>	<u>834,776</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	1,451,366	28,900		28,900	1,480,266
Unrestricted/(Deficit)	<u>(623,179)</u>	<u>13,402</u>	<u>(436,145)</u>	<u>(422,743)</u>	<u>(1,045,922)</u>
Total Net Position/(Deficit)	<u>\$ 828,187</u>	<u>\$ 42,302</u>	<u>\$ (436,145)</u>	<u>\$ (393,843)</u>	<u>\$ 434,344</u>



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund	Non-Major Funds		Total	Total
	Transportation Service Fund	Food Service Fund	Technology Service Fund	Non-Major Funds	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs		\$ 102,073		\$ 102,073	\$ 102,073
Daily Sales - Non-Reimbursable programs		167,568		167,568	167,568
Charges and Program Fees	\$ 4,342,647		\$ 229,352	229,352	4,571,999
Total Operating Revenue	4,342,647	269,641	229,352	498,993	4,841,640
Operating Expenses:					
Cost of Sales - Reimbursable Programs		82,762		82,762	82,762
Cost of Sales - Non-Reimbursable Programs		73,095		73,095	73,095
Salaries, Benefits & Payroll Taxes	3,158,020	127,071	275,664	402,735	3,560,755
Supplies and Materials	203,936				203,936
Management Fee		8,924		8,924	8,924
Other Purchased Services	209,007				209,007
Miscellaneous Expenses	222,361	20,987		20,987	243,348
Interest Expense on Capital Leases	14,325				14,325
Gasoline	313,309				313,309
Depreciation Expense	383,816	7,244		7,244	391,060
Total Operating Expenses	4,504,774	320,083	275,664	595,747	5,100,521
Operating Loss	(162,127)	(50,442)	(46,312)	(96,754)	(258,881)
Non-Operating Income:					
Local Sources:					
Interest Income		473		473	473
State Sources:					
State School Lunch Program		1,930		1,930	1,930
Federal Sources:					
National School Lunch Program		27,660		27,660	27,660
School Breakfast Program		4,101		4,101	4,101
Food Distribution Program		12,180		12,180	12,180
Total Non-Operating Income		46,344		46,344	46,344
Change in Net Position before Capital Contribution	(162,127)	(4,098)	(46,312)	(50,410)	(212,537)
Capital Contribution - General Fund		6,694		6,694	6,694
Change in Net Position After Capital Contribution	(162,127)	2,596	(46,312)	(43,716)	(205,843)
Net Position/(Deficit) - Beginning of Year (Restated)	990,314	39,706	(389,833)	(350,127)	640,187
Net Position/(Deficit) - End of Year	\$ 828,187	\$ 42,302	\$ (436,145)	\$ (393,843)	\$ 434,344

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund	Non-Major Funds		Total	Total
	Transportation Service Fund	Food Service Fund	Technology Service Fund	Non-Major Funds	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 4,316,643	\$ 273,968	\$ 229,312	\$ 503,280	\$ 4,819,923
Payments to/for Employees	(2,614,281)		(243,133)	(243,133)	(2,857,414)
Payments to Vendors	(1,089,616)	(274,727)		(274,727)	(1,364,343)
Payments for Miscellaneous Expenses		(18,248)		(18,248)	(18,248)
Net Cash Provided by/(Used for) Operating Activities	<u>612,746</u>	<u>(19,007)</u>	<u>(13,821)</u>	<u>(32,828)</u>	<u>579,918</u>
Cash Flows from Investing Activities:					
Interest Income		473		473	473
Net Cash Provided by Investing Activities		<u>473</u>		<u>473</u>	<u>473</u>
Cash Flows from Noncapital Financing Activities:					
Interfunds Advanced	(696,217)				(696,217)
Federal Reimbursements in Food Service Fund		32,328		32,328	32,328
State Reimbursements in Food Service Fund		1,948		1,948	1,948
Net Cash Provided by/(Used for) Noncapital Financing Activities:	<u>(696,217)</u>	<u>34,276</u>		<u>34,276</u>	<u>(661,941)</u>
Cash Flows from Capital and Related Financing Activities:					
Capital Lease Principal Payments	(442,019)				(442,019)
Net Cash Used for Capital and Related Financing Activities	<u>(442,019)</u>				<u>(442,019)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(525,490)	15,742	(13,821)	1,921	(523,569)
Cash and Cash Equivalents, July 1	1,796,722	2,979	14,978	17,957	1,814,679
Cash and Cash Equivalents, June 30	<u>\$ 1,271,232</u>	<u>\$ 18,721</u>	<u>\$ 1,157</u>	<u>\$ 19,878</u>	<u>\$ 1,291,110</u>
Reconciliation of Operating Loss to					
Net Cash Provided By/(Used for) Operating Activities:					
Operating Loss	\$ (162,127)	\$ (50,442)	\$ (46,312)	\$ (96,754)	\$ (258,881)
Adjustment to Reconcile Operating Loss to Cash					
Provided by/(Used for) Operating Activities:					
Depreciation	383,816	7,244		7,244	391,060
Food Distribution Program		12,180		12,180	12,180
Changes in Assets and Liabilities:					
Decrease in Interfund Receivable		4,327		4,327	4,327
Decrease in Inventory		5,564		5,564	5,564
(Increase) in Intergovernmental Accounts					
Receivable - Other	(149,509)		(40)	(40)	(149,549)
(Decrease) in Net Pension Liability	(457,517)		(144,256)	(144,256)	(601,773)
Decrease in Deferred Outflows - Pensions	213,923		59,831	59,831	273,754
Increase in Deferred Inflows - Pensions	722,496		112,280	112,280	834,776
Increase in Accounts Payable	40,326		4,676	4,676	45,002
Increase in Other Current Liabilities	283				283
Increase in Compensated Absences Payable	21,055				21,055
Increase in Unearned Revenue		2,120		2,120	2,120
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 612,746</u>	<u>\$ (19,007)</u>	<u>\$ (13,821)</u>	<u>\$ (32,828)</u>	<u>\$ 579,918</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$11,507 and utilized \$12,180 for the fiscal year ended June 30, 2018.

FIDUCIARY FUNDS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018

	Agency Funds		Total Agency	Flexible Spending Trust	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
	Student Activities	Payroll	Agency	Trust	Trust	Trust	
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 89,970	\$ 257,524	\$ 347,494	\$ 5,030	\$ 144,903	\$ 36,704	\$ 534,131
Total Assets	89,970	257,524	347,494	5,030	144,903	36,704	534,131
<b>LIABILITIES:</b>							
Payroll Deductions and Withholdings		182	182				182
Accrued Salaries and Wages		252,342	252,342				252,342
Due to Student Groups	89,970		89,970				89,970
Interfund Payable - General Fund		5,000	5,000				5,000
Total Liabilities	89,970	257,524	347,494				347,494
<b>NET POSITION:</b>							
Held in Trust for:							
Flexible Spending Claims				5,030			5,030
Unemployment Claims					144,903		144,903
Scholarships						36,704	36,704
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 5,030	\$ 144,903	\$ 36,704	\$ 186,637

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 18,218	\$ 22,165	
Donations			\$ 5,557
Total Contributions	<u>18,218</u>	<u>22,165</u>	<u>5,557</u>
Investment Earnings:			
Interest	127	1,542	468
Net Investment Earnings	<u>127</u>	<u>1,542</u>	<u>468</u>
Total Additions	<u>18,345</u>	<u>23,707</u>	<u>6,025</u>
DEDUCTIONS:			
Unemployment Compensation Claims		16,622	
Flexible Spending Claims	17,955		
Scholarship Payments			7,692
Total Deductions	<u>17,955</u>	<u>16,622</u>	<u>7,692</u>
Change in Net Position	390	7,085	(1,667)
Net Position - Beginning of the Year	<u>4,640</u>	<u>137,818</u>	<u>38,371</u>
Net Position - End of the Year	<u>\$ 5,030</u>	<u>\$ 144,903</u>	<u>\$ 36,704</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 102,554	\$ 215,012	\$ 227,596	\$ 89,970
Total Assets	<u>\$ 102,554</u>	<u>\$ 215,012</u>	<u>\$ 227,596</u>	<u>\$ 89,970</u>
 <b><u>LIABILITIES:</u></b>				
Liabilities:				
Due to Student Groups	\$ 102,554	\$ 215,012	\$ 227,596	\$ 89,970
Total Liabilities	<u>\$ 102,554</u>	<u>\$ 215,012</u>	<u>\$ 227,596</u>	<u>\$ 89,970</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
Regional High School:				
Student Activities	\$ 95,131	\$ 145,642	\$ 154,016	\$ 86,757
Athletic Activities	<u>7,423</u>	<u>69,370</u>	<u>73,580</u>	<u>3,213</u>
Total All Schools	<u>\$ 102,554</u>	<u>\$ 215,012</u>	<u>\$ 227,596</u>	<u>\$ 89,970</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 301,637	\$ 14,418,221	\$ 14,462,334	\$ 257,524
Total Assets	<u>\$ 301,637</u>	<u>\$ 14,418,221</u>	<u>\$ 14,462,334</u>	<u>\$ 257,524</u>
 <u>LIABILITIES:</u>				
Accrued Salaries and Wages	\$ 240,920	\$ 256,841	\$ 245,419	\$ 252,342
Payroll Deductions and Withholdings	38,208	14,161,380	14,199,406	182
Interfund Payable - Unemployment Compensation Trust Fund	17,509		17,509	
Interfund Payable - General Fund	5,000			5,000
Total Liabilities	<u>\$ 301,637</u>	<u>\$ 14,418,221</u>	<u>\$ 14,462,334</u>	<u>\$ 257,524</u>



LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2017	Retired or Matured	Balance June 30, 2018
			Date	Amount				
2012 Refunding Bonds	4/17/2012	\$3,075,000	01/15/19	\$ 530,000	4.00%	\$1,065,000	\$ 535,000	\$ 530,000
						<u>\$1,065,000</u>	<u>\$ 535,000</u>	<u>\$ 530,000</u>

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

Item	Interest Rate	Original Issue	Balance July 1, 2017	Issued	Matured	Balance June 30, 2018
260 iPad Airs, Maintenance Equipment, Etc.	1.48%	\$ 236,776	\$ 118,944		\$ 59,035	\$ 59,909
Window Replacement Project	1.55%	1,562,654	644,318		318,556	325,762
Technology & Maintenance Equipment	1.57%	103,497		\$ 103,497	34,883	68,614
			<u>\$ 763,262</u>	<u>\$ 103,497</u>	<u>\$ 412,474</u>	<u>\$ 454,285</u>

Exhibit I-2a

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

Item	Interest Rate	Original Issue	Balance July 1, 2017	Issued	Matured	Balance June 30, 2018
Eight Thomas 54-Passenger Buses	1.66%	\$ 708,717	\$ 427,640		\$ 140,209	\$ 287,431
Various Transportation Vehicles	1.64%	536,484	426,944		104,141	322,803
Vehicles	1.57%	586,486		\$ 586,486	197,669	388,817
			<u>\$ 854,584</u>	<u>\$ 586,486</u>	<u>\$ 442,019</u>	<u>\$ 999,051</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 577,600		\$ 577,600	\$ 577,600	
<b>Total Revenues</b>	<b>577,600</b>		<b>577,600</b>	<b>577,600</b>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	42,600		42,600	42,600	
Redemption of Principal	535,000		535,000	535,000	
<b>Total Regular Debt Service</b>	<b>577,600</b>		<b>577,600</b>	<b>577,600</b>	
<b>Total Expenditures</b>	<b>577,600</b>		<b>577,600</b>	<b>577,600</b>	
<b>Excess of Revenues Over Expenditures</b>	<b>-0-</b>	<b>\$ -0-</b>	<b>-0-</b>	<b>-0-</b>	<b>\$ -0-</b>
<b>Fund Balance, July 1</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Fund Balance, June 30</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

## STATISTICAL SECTION

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

### Contents

### Exhibit

#### **Financial Trends**

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

J-1 thru J-5

#### **Revenue Capacity**

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

J-6 thru J-9

#### **Debt Capacity**

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

J-10 thru J-13

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

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

J-14 thru J-15

#### **Operating Information**

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

J-16 thru J-20

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

	June 30,				
	2009	2010	2011	2012	2013
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 8,099,215	\$ 7,870,924	\$ 8,112,333	\$ 8,326,584	\$ 9,145,599
Restricted	409,822	1,180,548	1,018,760	1,079,940	1,233,893
Unrestricted/(Deficit)	(454,258)	(807,965)	(534,523)	(543,071)	(256,564)
<b>Total Governmental Activities Net Position</b>	<b>\$ 8,054,779</b>	<b>\$ 8,243,507</b>	<b>\$ 8,596,570</b>	<b>\$ 8,863,453</b>	<b>\$ 10,122,928</b>
<b>Business-Type Activities:</b>					
Net Investment in Capital Assets	\$ 1,448,001	\$ 1,216,045	\$ 994,299	\$ 829,289	\$ 763,643
Unrestricted/(Deficit)	505,995	546,074	627,333	780,935	719,834
<b>Total Business-Type Activities Net Position/(Deficit)</b>	<b>\$ 1,953,996</b>	<b>\$ 1,762,119</b>	<b>\$ 1,621,632</b>	<b>\$ 1,610,224</b>	<b>\$ 1,483,477</b>
<b>District-Wide:</b>					
Net Investment in Capital Assets	\$ 9,547,216	\$ 9,086,969	\$ 9,106,632	\$ 9,155,873	\$ 9,909,242
Restricted	409,822	1,180,548	1,018,760	1,079,940	1,233,893
Unrestricted/(Deficit)	51,737	(261,891)	92,810	237,864	463,270
<b>Total District Net Position</b>	<b>\$ 10,008,775</b>	<b>\$ 10,005,626</b>	<b>\$ 10,218,202</b>	<b>\$ 10,473,677</b>	<b>\$ 11,606,405</b>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

	June 30,				
	2014	2015	2016	2017*	2018
<b>Governmental Activities:</b>					
Net Investment in Capital Assets	\$ 9,901,929	\$ 9,083,412	\$ 9,474,220	\$ 11,226,221	\$ 13,292,397
Restricted	878,685	861,504	1,672,418	1,265,165	2,963,008
Unrestricted/(Deficit)	<u>(7,386,948)</u>	<u>(3,786,616)</u>	<u>(5,418,500)</u>	<u>(6,291,751)</u>	<u>(7,596,502)</u>
Total Governmental Activities Net Position	<u>\$ 3,393,666</u>	<u>\$ 6,158,300</u>	<u>\$ 5,728,138</u>	<u>\$ 6,199,635</u>	<u>\$ 8,658,903</u>
<b>Business-Type Activities:</b>					
Net Investment in Capital Assets	\$ 664,639	\$ 439,400	\$ 1,607,011	\$ 1,421,677	\$ 1,480,439
Unrestricted/(Deficit)	868,033	<u>(1,052,138)</u>	<u>(1,437,669)</u>	<u>(781,490)</u>	<u>(1,045,962)</u>
Total Business-Type Activities Net Position/(Deficit)	<u>\$ 1,532,672</u>	<u>\$ (612,738)</u>	<u>\$ 169,342</u>	<u>\$ 640,187</u>	<u>\$ 434,477</u>
<b>District-Wide:</b>					
Net Investment in Capital Assets	\$ 10,566,568	\$ 9,522,812	\$ 11,081,231	\$ 12,647,898	\$ 14,772,836
Restricted	878,685	861,504	1,672,418	1,265,165	2,963,008
Unrestricted/(Deficit)	<u>(6,518,915)</u>	<u>(4,838,754)</u>	<u>(6,856,169)</u>	<u>(7,073,241)</u>	<u>(8,642,464)</u>
Total District Net Position	<u>\$ 4,926,338</u>	<u>\$ 5,545,562</u>	<u>\$ 5,897,480</u>	<u>\$ 6,839,822</u>	<u>\$ 9,093,380</u>

\* - Restated

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,577,636	\$ 6,806,737	\$ 5,921,348	\$ 6,567,284	\$ 6,562,855
Special Education	1,624,178	2,019,811	1,991,378	1,996,335	1,911,556
Other Special Education	80,560	107,967	93,999	17,721	3,557
Other Instruction	1,351,133	1,345,429	1,406,839	1,327,057	1,330,447
School Sponsored					
Support Services:					
Tuition	1,031,523	909,236	864,066	1,020,360	1,061,429
Student & Instruction Related Services	2,435,152	2,541,581	2,589,517	2,801,731	2,849,424
General and Business Administrative Services	1,016,561	1,150,911	1,157,946	1,174,587	1,164,906
School Administrative Services	514,981	582,320	532,398	537,653	599,512
Central Services					
Administrative Information Technology					
Plant Operations and Maintenance	1,713,875	1,616,202	1,641,870	1,654,596	1,744,118
Pupil Transportation	1,484,905	1,188,704	1,080,191	1,166,677	1,218,965
Interest on Long-term Debt	183,150	169,723	189,607	127,930	133,563
Total Governmental Activities Expenses	<u>18,013,654</u>	<u>18,438,621</u>	<u>17,469,159</u>	<u>18,391,931</u>	<u>18,580,332</u>
Business-Type Activities:					
Food Service	413,719	324,654	355,819	380,362	435,304
Transportation	2,654,001	2,650,246	2,777,759	2,842,781	2,955,585
Technology Services				33,570	139,281
Total Business-type Activities Expense	<u>3,067,720</u>	<u>2,974,900</u>	<u>3,133,578</u>	<u>3,256,713</u>	<u>3,530,170</u>
Total District Expenses	<u>\$ 21,081,374</u>	<u>\$ 21,413,521</u>	<u>\$ 20,602,737</u>	<u>\$ 21,648,644</u>	<u>\$ 22,110,502</u>
Program Revenues					
Charges for Services:					
Regular Instruction	\$ 19,490	\$ 13,253	\$ 11,222	\$ 57,945	\$ 75,013
Special Education Instruction			32,083	57,070	60,382
Other Instruction		7,255	16,085	13,349	11,053
Student & Instructional Related Services	3,418		43,700	60,680	17,424
General & Business Administration Services	638	1,502	1,960	15,736	17,164
School Administration Services				155	
Plant Operations & Maintenance	16,187	18,500	5,860	8,378	10,330
Pupil Transportation		1,202	350	4,071	1,090
Operating Grants and Contributions and Charges for Services	258,297	507,226	525,359	356,282	227,873
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	<u>298,030</u>	<u>548,938</u>	<u>636,619</u>	<u>573,666</u>	<u>420,329</u>
Business-Type Activities:					
Charges for Services:					
Food Service	302,877	328,379	318,602	319,010	344,117
Transportation	2,675,802	2,438,329	2,593,507	2,846,131	2,862,260
Technology Services				33,570	139,281
Operating Grants and Contributions	34,102	39,057	39,158	43,901	46,872
Total Business-type Activities Program Revenues	<u>3,012,781</u>	<u>2,805,765</u>	<u>2,951,267</u>	<u>3,242,612</u>	<u>3,392,530</u>



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

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
Total District Program Revenues	<u>\$ 3,310,811</u>	<u>\$ 3,354,703</u>	<u>\$ 3,587,886</u>	<u>\$ 3,816,278</u>	<u>\$ 3,812,859</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (17,715,624)	\$ (17,889,683)	\$ (16,832,540)	\$ (17,818,265)	\$ (18,160,003)
Business-type Activities	(54,939)	(169,135)	(182,311)	(14,101)	(137,640)
Total District-wide Net Expense	<u>\$ (17,770,563)</u>	<u>\$ (18,058,818)</u>	<u>\$ (17,014,851)</u>	<u>\$ (17,832,366)</u>	<u>\$ (18,297,643)</u>
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 11,774,649	\$ 12,339,722	\$ 12,658,311	\$ 12,636,477	\$ 12,889,207
Property Taxes Levied for Debt Service	589,200	591,000	162,305	553,693	593,430
Federal and State Aid not Restricted					
Unrestricted Grants and Contributions	5,042,621	5,192,310	4,551,441	5,084,389	5,415,942
Investment Earnings	43,642	18,339	13,662	3,879	3,908
Rents and Royalties					
Miscellaneous Income	20,662	26,811	152,531	31,311	134,520
Other	(6,752)	(90,000)	(350,052)	(100,000)	
Special Item-Payment to Bond Agent				(114,463)	
Special Item-Insurance Proceeds for Storm Damage					489,480
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets		229	(2,595)	(10,138)	(13,650)
Total Governmental Activities	<u>17,464,022</u>	<u>18,078,411</u>	<u>17,185,603</u>	<u>18,085,148</u>	<u>19,512,837</u>
Business-Type Activities:					
Miscellaneous Income			24	62	1,773
Transfer In		(20,929)			
Investment Earnings					
Special Item - Prior Year Accounts Payable Canceled					
Special Item -Gain (Loss) on Deletion of Assets	2,100	(1,813)	41,800	2,631	9,120
Total Business-Type Activities	<u>2,100</u>	<u>(22,742)</u>	<u>41,824</u>	<u>2,693</u>	<u>10,893</u>
Total District-Wide	<u>\$ 17,466,122</u>	<u>\$ 18,055,669</u>	<u>\$ 17,227,427</u>	<u>\$ 18,087,841</u>	<u>\$ 19,523,730</u>
Change in Net Position:					
Governmental Activities	\$ (251,602)	\$ 188,728	\$ 353,063	\$ 266,883	\$ 1,352,834
Business-type Activities	(52,839)	(191,877)	(140,487)	(11,408)	(126,747)
Total District	<u>\$ (304,441)</u>	<u>\$ (3,149)</u>	<u>\$ 212,576</u>	<u>\$ 255,475</u>	<u>\$ 1,226,087</u>

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

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,783,272	\$ 7,994,360	\$ 8,084,175	\$ 8,920,184	\$ 8,703,370
Special Education	1,544,142	1,521,071	1,891,749	2,327,301	2,238,108
Other Special Education	28,475	24,997			
Other Instruction	1,414,072	1,441,785	40,704	1,098	356
School Sponsored			1,032,906	1,115,421	1,110,261
Support Services:					
Tuition	940,653	1,094,071	954,593	1,198,946	1,336,165
Student & Instruction Related Services	3,570,980	4,143,236	4,627,236	5,047,114	5,671,611
General and Business Administrative Services	1,191,594	1,349,198	531,743	678,240	647,909
School Administrative Services	599,975	670,034	724,417	812,418	838,368
Central Services			517,571	572,993	621,070
Administrative Information Technology			217,976	147,500	120,754
Plant Operations and Maintenance	1,917,835	1,659,974	2,099,057	2,199,965	1,340,044
Pupil Transportation	1,216,043	1,267,740	1,226,349	1,333,459	1,287,053
Interest on Long-term Debt	123,357	130,697	35,282	18,805	548
<b>Total Governmental Activities Expenses</b>	<b>19,330,398</b>	<b>21,297,163</b>	<b>21,983,758</b>	<b>24,373,444</b>	<b>23,915,617</b>
Business-Type Activities:					
Food Service	452,199	402,611	376,867	347,258	320,083
Transportation	3,054,696	3,470,988	3,732,371	3,572,686	4,504,774
Technology Services	160,574	266,755	528,445	313,999	275,664
<b>Total Business-type Activities Expense</b>	<b>3,667,469</b>	<b>4,140,354</b>	<b>4,637,683</b>	<b>4,233,943</b>	<b>5,100,521</b>
<b>Total District Expenses</b>	<b>\$ 22,997,867</b>	<b>\$ 25,437,517</b>	<b>\$ 26,621,441</b>	<b>\$ 28,607,387</b>	<b>\$ 29,016,138</b>
Program Revenues					
Charges for Services:					
Regular Instruction	\$ 100,383	\$ 140,534	\$ 12,735	\$ 12,735	\$ 5,514
Special Education Instruction	61,791	174,503	110,754	141,732	39,343
Other Instruction	670				
Student & Instructional Related Services	32,742	29,709			
General & Business Administration Services	23,810	3,612			
School Administration Services					
Plant Operations & Maintenance	6,558	11,300			
Pupil Transportation		6,842			
Operating Grants and Contributions and Charges for Services	214,024	229,134	4,792,227	6,201,452	7,249,654
Capital Grants and Contributions		110,735			527,542
<b>Total Governmental Activities Program Revenues</b>	<b>439,978</b>	<b>706,369</b>	<b>4,915,716</b>	<b>6,355,919</b>	<b>7,822,053</b>
Business-Type Activities:					
Charges for Services:					
Food Service	339,217	335,139	300,555	284,217	269,641
Transportation	3,134,672	3,682,898	3,865,697	4,397,780	4,342,647
Technology Services	176,483	265,847	215,110	222,500	229,352
Operating Grants and Contributions	57,465	57,449	41,137	45,372	45,871
Capital Grants and Contributions					6,694
<b>Total Business-type Activities Program Revenues</b>	<b>3,707,837</b>	<b>4,341,333</b>	<b>4,422,499</b>	<b>4,949,869</b>	<b>4,894,205</b>

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

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Total District Program Revenues	\$ 4,147,815	\$ 5,047,702	\$ 9,338,215	\$ 11,305,788	\$ 12,716,258
Net (Expense)/Revenue					
Governmental Activities	\$ (18,890,420)	\$ (20,590,794)	\$ (17,068,042)	\$ (18,017,525)	\$ (16,093,564)
Business-type Activities	40,368	200,979	(215,184)	715,926	(206,316)
Total District-wide Net Expense	\$ (18,850,052)	\$ (20,389,815)	\$ (17,283,226)	\$ (17,301,599)	\$ (16,299,880)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 13,134,122	\$ 13,525,820	\$ 13,783,832	\$ 14,031,941	\$ 14,031,941
Property Taxes Levied for Debt Service	555,964	578,050	578,350	578,200	577,600
Federal and State Aid not Restricted			3,291,371	3,293,049	3,296,720
Unrestricted Grants and Contributions	5,406,445	7,415,191			
Investment Earnings	3,504	9,677	12,612	4,560	9,097
Rents and Royalties				373,500	510,440
Miscellaneous Income	59,847	63,164	42,871	69,642	127,034
Transfer				(8,013)	
Special Item-Payment to Bond Agent					
Special Item-Insurance Proceeds for Storm Damage					
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets	(52,734)	(360)			
Total Governmental Activities	19,107,148	21,591,542	17,709,036	18,342,879	18,552,832
Business-Type Activities:					
Miscellaneous Income	4,515	1,385	22,023		
Transfer In				8,013	
Investment Earnings		126	122	162	473
Special Item - Reappraisal of Capital Assets		(731)			
Special Item - Gain (Loss) on Deletion of Assets	4,312	2,012			
Total Business-Type Activities	8,827	2,792	22,145	8,175	473
Total District-Wide	\$ 19,115,975	\$ 21,594,334	\$ 17,731,181	\$ 18,351,054	\$ 18,553,305
Change in Net Position:					
Governmental Activities	\$ 216,728	\$ 1,000,748	\$ 640,994	\$ 325,354	\$ 2,459,268
Business-type Activities	49,195	203,771	(193,039)	724,101	(205,843)
Total District	\$ 265,923	\$ 1,204,519	\$ 447,955	\$ 1,049,455	\$ 2,253,425

Source: School District Financial Reports

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	June 30,				
	2009	2010	2011	2012	2013
General Fund:					
Reserved/Restricted	\$ 123,471			\$ 61,573	\$ 61,573
Committed	261,956	\$ 738,130	\$ 979,338	1,079,940	1,212,557
Unreserved:					
Assigned/Designated for Subsequent Year's Expenditures	83,886	157,619	275,460	415,447	611,669
Assigned					
Unassigned/(Deficit)	(108,657)	(98,936)	43,618	16,407	79,342
Total General Fund	\$ 360,656	\$ 796,813	\$ 1,298,416	\$ 1,573,367	\$ 1,965,141
All Other Governmental Funds:					
Committed					
Restricted, Reported in:					
Capital Projects Fund	\$ 469,422	\$ 39,422			
Assigned, Reporting in:					
Debt Service Fund		430,000	\$ 39,422		\$ 21,336
Total All Other Governmental Funds	\$ 469,422	\$ 469,422	\$ 39,422	\$ -0-	\$ 21,336

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	June 30,				
	2014	2015	2016	2017	2018
General Fund:					
Reserved/Restricted	\$ 878,685		\$ 1,672,418	\$ 1,265,165	\$ 2,963,008
Committed	426,340	\$ 861,504			
Unreserved:					
Assigned/Designated for Subsequent Year's Expenditures	239,521	855,112			
Assigned			302,435	700,505	486,125
Unassigned/(Deficit)		167,434	47,594	111,075	166,547
Total General Fund	<u>\$ 1,544,546</u>	<u>\$ 1,884,050</u>	<u>\$ 2,022,447</u>	<u>\$ 2,076,745</u>	<u>\$ 3,615,680</u>
All Other Governmental Funds:					
Committed			\$ 485,926	\$ 163,388	
Restricted, Reported in:					
Capital Projects Fund		\$ 1,758,945			
Assigned, Reporting in:					
Debt Service Fund					\$ (696,217)
Unassigned/(Deficit)					
Total All Other Governmental Funds/(Deficit)	<u>\$ -0-</u>	<u>\$ 1,758,945</u>	<u>\$ -0-</u>	<u>\$ 163,388</u>	<u>\$ (696,217)</u>

Source: School District Financial Reports

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

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,			
	2009	2010	2011	2012
Revenues:				
Tax Levy	\$ 12,363,849	\$ 12,930,722	\$ 12,820,616	\$ 13,190,170
Tuition from Individuals	16,779	5,910	32,083	36,100
Tuition from Other LEA's Within the State				
Rents and Royalties				
Interest Earned on Capital Reserve Funds				
Interest Earnings	43,642	18,339	13,662	3,879
Local Contributions				
Miscellaneous	32,789	39,637	234,645	31,123
State Sources	5,042,621	4,609,802	4,551,441	4,936,247
Federal Sources	249,372	1,083,960	474,221	500,523
<b>Total Revenue</b>	<b>17,749,052</b>	<b>18,688,370</b>	<b>18,126,668</b>	<b>18,698,042</b>
Expenditures				
Instruction:				
Regular Instruction	4,797,391	4,864,422	4,181,001	4,502,117
Special Education Instruction	1,169,436	1,340,851	1,301,265	1,324,608
Other Instruction	54,368	57,124	56,642	1,202
School Sponsored Instruction	979,914	967,303	974,219	909,491
Support Services:				
Tuition	846,625	726,403	676,314	827,038
Student & Instruction Related Services	1,789,464	1,731,990	1,678,011	1,807,074
General Administrative Services	489,489	439,976	423,540	491,409
School Administrative Services	378,140	404,820	382,939	372,540
Central Services	250,605	317,615	300,959	308,711
Administrative Information Technology	54,830	114,343	133,569	49,241
Plant Operations and Maintenance	1,474,730	1,359,046	1,368,422	1,373,582
Student Transportation	1,492,902	1,118,302	1,068,736	1,161,492
Unallocated Benefits	2,397,139	2,592,791	2,851,246	3,000,071
On-Behalf TPAF Pension & Social Security Contributions	926,084	933,278	906,187	1,077,768

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
Expenditures					
Capital Outlay	\$ 592,586	\$ 98,485	\$ 250,493	\$ 189,844	\$ 813,484
Special Revenue	258,297	507,226	525,359	356,282	227,873
Capital Projects				72,356	
Debt Service:					
Principal	400,000	415,000	430,000	445,000	480,000
Interest and Other Charges	189,200	176,000	196,111	167,775	119,075
Total Expenditures	18,541,200	18,164,975	17,705,013	18,437,601	18,846,776
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(792,148)	523,395	421,655	260,441	(148,734)
Other Financing Sources/(Uses):					
Proceeds from Refunding Bond Issue				3,075,000	
Proceeds for Capital Lease					
Premium on Refunding Bond Issue				245,819	
Payment to Refunding Bond Agent				(3,248,463)	
Proceeds from Sale of Capital Assets		2,762		2,732	
Insurance Claim Proceeds for Flood Damage					489,480
Transfers Out	(6,752)	(90,000)	(350,052)	(100,000)	
Total Other Financing Sources/(Uses)	(6,752)	(87,238)	(350,052)	(24,912)	489,480
Net Change in Fund Balances	\$ (798,900)	\$ 436,157	\$ 71,603	\$ 235,529	\$ 340,746
Debt Service as a Percentage of Noncapital Expenditures	3.28%	3.27%	3.59%	3.36%	3.32%

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

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
<b>Revenues:</b>					
Tax Levy	\$ 13,690,086	\$ 14,103,870	\$ 14,362,182	\$ 14,610,141	\$ 14,609,541
Tuition from Individuals	61,791	187,493	12,735	12,735	5,514
Tuition from Other LEA's Within the State			110,754	141,732	39,343
Rents and Royalties				373,500	510,440
Interest Earned on Capital Reserve Funds			914	4,560	9,097
Interest Earnings	3,504	9,677			
Local Contributions	6,085	16,667			
Miscellaneous	56,456	55,996	63,997	211,110	131,477
State Sources	5,406,445	5,714,234	5,820,700	6,025,352	6,867,322
Federal Sources	210,339	217,892	210,187	208,667	202,974
<b>Total Revenue</b>	<b>19,434,706</b>	<b>20,305,829</b>	<b>20,581,469</b>	<b>21,587,797</b>	<b>22,375,708</b>
<b>Expenditures</b>					
<b>Instruction:</b>					
Regular Instruction	4,736,072	4,932,664	4,907,939	4,630,978	4,514,926
Special Education Instruction	1,039,553	876,297	1,159,175	1,259,444	1,180,712
Other Instruction	7,800	5,000	40,704	1,098	356
School Sponsored Instruction	993,760	1,009,555	1,001,801	1,056,091	1,053,392
<b>Support Services:</b>					
Tuition	760,449	909,045	954,593	1,198,946	1,336,165
Student & Instruction Related Services	2,440,575	2,484,432	2,581,083	2,432,479	2,764,760
General Administrative Services	498,010	491,957	420,944	484,527	429,481
School Administrative Services	414,962	412,906	419,574	429,123	430,419
Central Services	353,988	355,174	344,734	340,328	366,196
Administrative Information Technology	63,656	112,352	196,203	138,410	65,239
Plant Operations and Maintenance	1,619,068	1,341,466	1,547,590	1,477,869	1,426,972
Student Transportation	1,216,358	1,260,591	1,180,593	1,267,395	1,223,131
Unallocated Benefits	3,036,763	2,832,695	4,538,512	4,576,056	5,053,206
On-Behalf TPAF Pension & Social Security Contributions	1,178,883	1,402,196			



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

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenditures					
Capital Outlay	\$ 887,712	\$ 167,164	\$ 1,733,561	\$ 1,977,080	\$ 1,377,320
Special Revenue	214,024	229,134			
Capital Projects		276,839			
Debt Service:					
Principal	475,000	792,212	505,000	520,000	535,000
Interest and Other Charges	129,281	115,031	73,350	58,200	42,600
Total Expenditures	20,065,914	20,006,710	21,605,356	21,848,024	21,799,875
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(631,208)	299,119	(1,023,887)	(260,227)	575,833
Other Financing Sources/(Uses):					
Proceeds from Refunding Bond Issue					
Proceeds for Capital Lease	189,277	1,799,330			
Premium on Refunding Bond Issue					
Payment to Refunding Bond Agent					
Proceeds from Sale of Capital Assets					
Insurance Claim Proceeds for Flood Damage					
Capital Leases (Non-Budgeted)					103,497
Transfers Out				(8,013)	
Total Other Financing Sources/(Uses)	189,277	1,799,330		(8,013)	103,497
Net Change in Fund Balances	\$ (441,931)	\$ 2,098,449	\$ (1,023,887)	\$ (268,240)	\$ 679,330
Debt Service as a Percentage of Noncapital Expenditures	3.15%	4.57%	2.91%	2.91%	2.83%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Total</u>
2009	\$ 10,904		\$ 21,099		\$ 32,003
2010	3,134	\$ 24,420	33,448	\$ 4,245	65,247
2011	669	45,268	24,385		70,322
2012	560	35,241	8,739		44,540
2013	538	21,554	10,859		32,951
2014	4,996	51,689	32,826		89,511
2015	5,384	107,316	34,248		146,948
2016	12,239	123,489	43,103		178,831
2017	4,560	154,467	69,642	373,500	602,169
2018	52,119	44,857	84,012	510,440	691,428

Source: School District Financial Reports

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

**Alexandria Township**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2008	\$ 27,780,400	\$ 644,944,300	\$ 114,371,300	\$ 3,864,670	\$ 21,719,788	\$ 2,534,800	\$ 418,900	\$ 815,634,158	\$ 1,769,750	\$ 817,403,908	\$ 0.55	\$ 916,853,752
2009	23,145,300	653,844,600	119,772,700	3,962,339	21,679,788	2,534,800	418,900	825,358,427	1,515,311	826,873,738	0.57	900,393,499
2010	19,873,200	661,048,700	120,545,600	3,957,181	21,720,188	2,534,800	418,900	830,098,569	1,960,839	832,059,408	0.53	884,510,905
2011	14,932,700	670,392,500	121,687,600	4,037,633	21,752,488	2,534,800	418,900	835,756,621	2,175,745	837,932,366	0.52	855,451,114
2012	13,406,100	661,932,700	122,866,700	4,082,151	21,045,588	2,534,800	418,900	826,286,939	2,293,602	828,580,541	0.57	802,261,594
2013	12,754,400	654,129,600	123,550,900	4,052,732	20,957,488	1,034,800	418,900	816,898,820	2,109,187	819,008,007	0.59	777,229,047
2014	10,448,300	569,320,900	106,917,400	4,235,179	19,100,800	836,200	230,400	711,089,179	178,774	711,267,953	0.70	770,673,063
2015	9,380,000	567,628,200	108,879,000	4,272,779	18,850,800	836,200	230,400	710,077,379	165,764	710,243,143	0.75	788,545,734
2016	9,316,700	576,623,900	104,491,000	4,172,379	18,850,800	836,200	230,400	714,521,379	168,946	714,690,325	0.71	778,896,341
2017	8,131,900	576,752,800	107,236,400	4,149,679	18,905,200	836,200	230,400	716,242,579	168,184	716,410,763	0.68	784,892,449

**Frenchtown Borough**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2008	\$ 2,554,500	\$ 108,094,600	\$ 898,600	\$ 52,749	\$ 28,085,300	\$ 3,726,350	\$ 6,119,880	\$ 149,531,979	\$ 1,059,003	\$ 150,590,982	\$ 0.50	\$ 189,110,834
2009	2,608,300	108,052,500	898,600	14,200	27,687,500	3,726,350	6,446,500	149,433,950	1,130,900	150,564,850	0.50	182,114,565
2010	2,505,100	109,384,700	898,600	14,700	26,861,900	3,726,350	6,045,500	149,436,850	889,485	150,326,335	0.47	177,418,076
2011	2,505,100	108,678,000	898,600	14,700	26,785,700	3,726,350	6,045,500	148,653,950	725,240	149,379,190	0.44	171,957,166
2012	2,505,100	108,976,400	898,600	14,700	26,737,800	3,726,350	6,045,500	148,904,450	592,657	149,497,107	0.48	166,644,863
2013	2,505,100	108,741,700	898,600	14,700	26,737,800	3,726,350	6,045,500	148,669,750	489,679	149,159,429	0.52	159,392,422
2014	2,505,100	109,474,900	898,600	14,700	26,449,600	3,726,350	5,682,600	148,751,850	594,036	149,345,886	0.57	152,424,868
2015	2,490,600	109,543,700	898,600	14,700	26,369,600	3,726,350	5,682,600	148,726,150	693,169	149,419,319	0.63	164,522,483
2016	4,480,500	110,307,000	449,600	11,200	26,503,300	3,726,350	5,682,600	151,160,550	644,203	151,804,753	0.70	177,044,431
2017	4,261,200	110,497,100	449,600	11,200	26,563,300	3,726,350	5,682,600	151,191,350	648,614	151,839,964	0.66	166,893,728

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

**Holland Township**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2008	\$ 13,910,600	\$ 644,816,900	\$ 72,529,100	\$ 2,619,500	\$ 16,192,600	\$ 17,716,700	\$ 409,900	\$ 768,195,300	\$ 1,915,521	\$ 770,110,821	\$ 0.48	\$ 854,549,495
2009	13,960,200	646,967,000	73,861,100	2,615,500	16,150,100	14,480,500	409,900	768,444,300	1,952,899	770,397,199	0.50	830,689,491
2010	13,623,600	646,506,300	75,961,400	2,588,800	16,302,400	14,480,500	409,900	769,872,900	2,066,917	771,939,817	0.50	832,100,698
2011	12,898,800	646,373,000	75,820,600	2,555,100	16,202,400	14,026,400	409,900	768,286,200	1,938,850	770,225,050	0.53	783,944,071
2012	11,043,000	646,768,800	74,547,600	2,519,600	16,745,200	13,145,500	409,900	765,179,600	1,948,801	767,128,401	0.52	746,069,777
2013	10,255,300	643,244,500	75,823,800	2,579,300	16,745,200	13,145,500	409,900	762,203,500	1,671,889	763,875,389	0.50	691,448,812
2014	* 6,480,600	525,191,400	65,474,000	2,645,310	16,026,211	11,231,600	429,300	627,478,421	1,531,313	629,009,734	0.61	670,270,971
2015	6,975,500	524,687,600	65,808,400	2,658,190	15,119,411	11,231,600	429,300	626,910,001	1,504,717	628,414,718	0.58	660,724,128
2016	7,439,600	526,884,100	64,633,400	2,602,380	13,883,911	11,231,600	429,300	627,104,291	1,464,110	628,568,401	0.61	661,400,494
2017	8,046,300	527,053,100	62,836,000	2,569,630	14,136,311	10,448,100	429,300	625,518,741	1,428,395	626,947,136	0.65	663,064,010

**Kingwood Township**

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2008	\$ 28,977,700	\$ 490,067,000	\$ 123,850,000	\$ 5,970,400	\$ 34,335,100	\$ 11,539,200	\$ 2,262,500	\$ 697,001,900	\$ 1,526,249	\$ 698,528,149	\$ 0.39	\$ 717,447,587
2009	24,913,500	494,471,800	126,078,000	5,910,000	40,870,300	10,401,900	2,262,500	704,908,000	1,359,500	706,267,500	0.41	704,115,651
2010	* 19,877,000	421,467,300	111,387,300	5,862,400	34,544,300	9,346,600	2,018,900	604,503,800	1,639,850	606,143,650	0.51	697,511,612
2011	19,848,200	422,700,800	111,775,600	5,809,900	35,078,200	9,346,600	1,988,300	606,547,600	1,559,512	608,107,112	0.55	660,555,194
2012	20,682,400	417,770,800	114,411,900	5,810,800	34,583,000	9,346,600	1,988,300	604,593,800	1,663,096	606,256,896	0.57	639,241,772
2013	20,444,100	420,624,300	113,888,600	5,711,500	34,945,700	9,346,600	1,988,300	606,949,100	1,480,282	608,429,382	0.59	629,713,705
2014	18,828,000	422,482,000	113,765,600	5,624,100	34,980,300	9,381,100	1,988,300	607,049,400	1,476,753	608,526,153	0.61	611,216,103
2015	22,065,150	421,252,699	113,811,201	5,480,300	34,962,700	9,381,100	1,988,300	608,941,450	1,653,010	610,594,460	0.61	618,887,553
2016	21,949,750	428,026,899	110,891,300	5,381,800	35,012,700	8,921,900	1,988,300	612,172,649	1,544,943	613,717,592	0.61	603,828,946
2017	20,706,400	427,194,899	113,641,700	5,300,000	34,962,400	8,921,900	1,988,300	612,715,599	1,545,288	614,260,887	0.62	611,153,881

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

Milford Borough

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2008	\$ 1,505,600	\$ 95,519,000	\$ 1,408,500	\$ 40,000	\$ 12,455,970	\$ 8,155,400	\$ 3,238,200	\$ 122,322,670	\$ 236,757	\$ 122,559,427	\$ 0.59	\$ 150,832,151
2009	2,212,100	96,064,900	1,413,900	15,900	12,455,970	1,992,000	3,238,200	117,392,970	265,500	117,658,470	0.59	145,327,603
2010	2,643,000	95,595,200	1,413,900	21,100	12,455,970	1,992,000	3,238,200	117,359,370	260,294	117,619,664	0.68	152,971,341
2011	2,647,800	95,320,400	1,408,800	21,100	12,444,170	1,992,000	3,238,200	117,072,470	229,368	117,301,838	0.66	145,752,781
2012	2,634,300	95,332,200	1,408,800	21,100	12,759,270	1,992,000	3,238,200	117,385,870	241,622	117,627,492	0.51	128,892,715
2013	2,580,300	94,829,000	1,408,800	21,100	12,759,270	1,992,000	3,238,200	116,828,670	222,189	117,050,859	0.52	117,674,534
2014	2,265,200	94,913,600	1,418,800	21,900	12,759,270	1,992,000	3,238,200	116,608,970	182,366	116,791,336	0.61	114,247,680
2015	2,265,200	94,625,300	1,418,800	21,900	12,447,070	1,992,000	2,900,000	115,670,270	188,786	115,859,056	0.61	109,034,434
2016	2,179,300	94,300,400	1,418,800	21,900	12,447,070	1,992,000	2,900,000	115,259,470	182,807	115,442,277	0.61	122,488,557
2017	2,138,600	94,080,271	1,418,800	21,900	12,447,070	1,992,000	2,900,000	114,998,641	182,071	115,180,712	0.77	121,957,242

Source: Municipal Tax Assessors and State of New Jersey Website

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

\* Revaluation of Real Property became effective.

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

b Tax rates are per \$100

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

LAST TEN YEARS

UNAUDITED

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

**Alexandria Township**

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	County	
2007	\$ 0.53	\$ 0.03	\$ 0.56	\$ 0.21	\$ 0.38	\$ 0.90
2008	0.52	0.03	0.55	0.21	0.37	0.91
2009	0.54	0.03	0.57	0.21	0.38	0.91
2010	0.52	0.01	0.53	0.21	0.36	0.95
2011	0.50	0.02	0.52	0.21	0.35	0.93
2012	0.54	0.03	0.57	0.21	0.34	0.96
2013	0.57	0.02	0.59	0.21	0.34	0.97
2014	0.67	0.03	0.70	0.24	0.40	1.14
2015	0.72	0.03	0.75	0.24	0.41	1.16
2016	0.68	0.03	0.71	0.25	0.40	1.19
2017	0.66	0.02	0.68	0.26	0.41	1.22

**Frenchtown Borough**

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	County	
2007	\$ 0.58	\$ 0.03	\$ 0.61	\$ 0.55	\$ 0.40	\$ 1.05
2008	0.48	0.02	0.50	0.54	0.42	1.08
2009	0.48	0.02	0.50	0.56	0.42	1.12
2010	0.46	0.01	0.47	0.60	0.41	1.17
2011	0.42	0.02	0.44	0.62	0.40	1.19
2012	0.46	0.02	0.48	0.65	0.40	1.21
2013	0.50	0.02	0.52	0.67	0.40	1.24
2014	0.55	0.02	0.57	0.71	0.38	1.26
2015	0.60	0.03	0.63	0.87	0.41	1.30
2016	0.67	0.03	0.70	0.87	0.43	1.30
2017	0.62	0.04	0.66	0.89	0.41	1.34

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

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

**Holland Township**

Year Ended December 31,	Direct Rate		Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	County	Local School	
2007	\$ 0.44	\$ 0.02	\$ 0.46	\$	0.38	\$ 0.99	\$ 1.83
2008	0.46	0.02	0.48		0.37	1.00	1.85
2009	0.48	0.02	0.50		0.37	1.05	1.92
2010	0.49	0.01	0.50		0.37	1.08	1.95
2011	0.51	0.02	0.53		0.35	1.09	1.97
2012	0.50	0.02	0.52		0.34	1.08	1.94
2013	0.48	0.02	0.50		0.33	1.11	1.94
2014	0.58	0.03	0.61	\$ 0.10	0.39	1.37	2.47
2015	0.56	0.02	0.58	0.19	0.39	1.40	2.56
2016	0.59	0.02	0.61	0.19	0.39	1.40	2.59
2017	0.62	0.03	0.65	0.19	0.39	1.36	2.59

**Kingwood Township**

Year Ended December 31,	Direct Rate		Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct	Municipality	County	Local School	
2007	\$ 0.37	\$ 0.02	\$ 0.39	\$ 0.17	0.34	\$ 0.72	\$ 1.62
2008	0.37	0.02	0.39	0.19	0.34	0.74	1.66
2009	0.39	0.02	0.41	0.19	0.34	0.75	1.69
2010	0.50	0.01	0.51	0.22	0.39	0.90	2.02
2011	0.53	0.02	0.55	0.22	0.37	0.89	2.03
2012	0.54	0.03	0.57	0.23	0.37	0.91	2.08
2013	0.57	0.02	0.59	0.23	0.38	0.90	2.10
2014	0.58	0.03	0.61	0.24	0.37	0.91	2.13
2015	0.59	0.02	0.61	0.25	0.38	0.92	2.16
2016	0.59	0.02	0.61	0.26	0.36	0.95	2.18
2017	0.59	0.03	0.62	0.27	0.37	0.92	2.18

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

LAST TEN YEARS  
UNAUDITED

(rate per \$100 of assessed value)

**Milford Borough**

Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	General	Municipality	County	Local School	
2007	\$ 0.54	\$ 0.03	\$ 0.57	\$ 0.60	0.43	\$ 1.27	\$ 2.87
2008	0.56	0.03	0.59	0.64	0.40	1.30	2.93
2009	0.56	0.03	0.59	0.68	0.42	1.41	3.10
2010	0.67	0.01	0.68	0.68	0.44	1.48	3.28
2011	0.63	0.03	0.66	0.68	0.42	1.48	3.24
2012	0.49	0.02	0.51	0.69	0.38	1.50	3.08
2013	0.50	0.02	0.52	0.70	0.35	1.54	3.11
2014	0.58	0.03	0.61	0.71	0.35	1.53	3.20
2015	0.59	0.02	0.61	0.71	0.34	1.65	3.31
2016	0.59	0.02	0.61	0.72	0.36	1.70	3.39
2017	0.74	0.03	0.77	0.73	0.36	1.53	3.39

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

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

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

\* Revaluation became effective.

Source: Municipal Tax Collectors



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

		2018		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 4,373,600	0.61%	Individual Property Owner #1	\$ 7,365,400	0.90%
Sky Manor Airport Partners LLC	2,598,800	0.36%	Individual Property Owner #2	3,543,100	0.43%
Columbia Gas Transportation	2,427,300	0.34%	Columbia Gas Transportation	2,571,488	0.31%
Individual Property Owner #2	1,532,700	0.21%	CP Assignment LTD (c/o Burkhardt)	1,993,500	0.24%
Alexandria Airpark LLC	1,251,100	0.15%	Individual Property Owner #3	1,686,300	0.21%
Manchanda Shapiro Rauch LLC	1,209,300	0.17%	Manchada Shapiro Rauch LLC	1,541,000	0.19%
Individual Property Owner #3	1,168,000	0.18%	Saphire Inc c/o Riverside Jeans	1,486,900	0.18%
DeSapio Properties (Six Inc)	1,146,600	0.16%	United Telephone Company of NJ	1,480,129	0.18%
Individual Property Owner #4	1,049,100	0.15%	Individual Property Owner #4	1,473,900	0.18%
Individual Property Owner #5	1,047,000	0.16%	Individual Property Owner #5	1,359,200	0.17%
<b>Total</b>	<b>\$ 17,803,500</b>	<b>2.49%</b>		<b>\$ 24,500,917</b>	<b>2.99%</b>

		2018		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Frenchtown Associates LLC	\$ 2,950,000	1.95%	Frenchtown Associates LLC	\$ 2,950,000	1.96%
Frenchtown Properties LLC	2,145,200	1.42%	Frenchtown Barn Center LLC	2,536,400	1.68%
Frenchtown Barn Center LLC	1,500,000	0.99%	Frenchtown Properties LLC	2,145,200	1.42%
Davon LLC	977,200	0.65%	United Telephone Company of NJ	1,059,003	0.70%
Bridge Race Properties	972,200	0.64%	Davon LLC	977,200	0.65%
Individual Property Owner #1	769,200	0.51%	Bridge Race Properties	972,200	0.65%
Traub Holdings LLC	758,400	0.50%	Individual Property Owner #1	830,800	0.55%
B&B Properties LLC	748,500	0.50%	Warren House LLC	809,900	0.54%
Individual Property Owner #2	718,800	0.48%	Traub Holdings LLC	758,400	0.50%
Warren House LLC	695,400	0.48%	B&B Properties LLC	748,500	0.50%
<b>Total</b>	<b>\$ 12,234,900</b>	<b>8.12%</b>		<b>\$ 13,787,603</b>	<b>9.15%</b>

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

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

		2018		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Genon Energy Services	\$ 6,515,900	1.04%	Reliant	\$ 8,000,000	1.04%
Rottenburg, Craig & Anonietta	3,618,500	0.58%	Oak Hill Golf Club	5,143,500	0.67%
Georgia Pacific Corporation	2,789,400	0.45%	Georgia Pacific Corporation	3,300,000	0.43%
Oak Hill Golf Club Inc	2,729,000	0.44%	Individual Property Owner #1	3,268,000	0.42%
Columbia Gas	1,897,400	0.30%	Columbia Gas	2,206,500	0.29%
Individual Property Owner #1	1,562,500	0.25%	Warren Glen Investments	1,900,000	0.25%
Individual Property Owner #2	1,463,000	0.23%	Verizon-NJ	1,627,553	0.21%
Holland Retail LLC	1,228,700	0.20%	Fiberville Estates	1,600,000	0.21%
KJA Holdings Inc.	1,178,500	0.19%	Individual Property Owner #2	1,349,500	0.18%
Verizon	1,115,505	0.18%	Riegel Federal Credit Union	1,226,300	0.16%
<b>Total</b>	<b>\$ 24,098,405</b>	<b>3.86%</b>		<b>\$ 29,621,353</b>	<b>3.86%</b>

		2018		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Buckeye Pipeline Co	\$ 4,575,000	0.75%	Buckeye Pipeline Co	\$ 10,414,400	1.49%
Kingwood Flex LLC	4,188,100	0.68%	Horseshoe Bend LLC	4,919,200	0.70%
Mel Chemicals Inc.	3,498,200	0.57%	869 Associates LLC	3,837,300	0.55%
Buckeye Pipeline Co	3,040,000	0.50%	Magnesium Elektron Inc	3,699,500	0.53%
Perini Properties Inc	2,895,500	0.47%	Lutz Welding & Fabricating Inc	3,279,100	0.47%
Frenchtown III Solar LLC (1)	2,628,700	0.43%	Frenchtown Run LLC	2,500,000	0.36%
869 Associates LLC	2,324,100	0.38%	Individual Property Owner #1	1,833,400	0.26%
Frenchtown III Solar LLC (2)	1,657,500	0.27%	Individual Property Owner #2	1,760,300	0.25%
Individual Property Owner #1	1,650,800	0.27%	Individual Property Owner #3	1,748,200	0.25%
Frenchtown II Solar LLC	1,500,000	0.24%	Individual Property Owner #4	1,552,600	0.22%
<b>Total</b>	<b>\$ 27,957,900</b>	<b>4.56%</b>		<b>\$ 35,544,000</b>	<b>5.08%</b>

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

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

		<b>Milford Borough</b>			
		2018		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Pinecrest Village Associates c/o Branch	\$ 2,900,000	2.52%	Royal Blue Papers	\$ 7,500,000	6.12%
International Paper Company	1,336,600	1.16%	Pinecrest Village Associates c/o Branch	3,238,200	2.64%
Hunterdon Medical Center	1,131,000	0.98%	Hunterdon Medical Center	1,131,000	0.92%
60 Bridge Street LLC	805,500	0.70%	Barbieri Brothers Corp	832,100	0.68%
60 Bridge Street LLC	702,100	0.61%	TD Banknorth	702,100	0.57%
Peter Trustee Kerl	573,700	0.50%	Peter Trustee Kerl	573,700	0.47%
Individual Property Owner #1	539,100	0.47%	Individual Property Owner #1	539,700	0.44%
Stem Brothers	523,700	0.46%	Stem Brothers	523,700	0.43%
Individual Property Owner #2	504,800	0.44%	The Baker Acquisition Corp	490,400	0.40%
Ingahdwe Trust	485,400	0.42%	Individual Property Owner #2	466,800	0.38%
<b>Total</b>	<b>\$ 9,501,900</b>	<b>8.26%</b>		<b>\$ 15,997,700</b>	<b>13.05%</b>

Source: Municipal Tax Assessor

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 12,363,849	\$ 12,363,849	100.00%	- 0 -
2010	12,930,722	12,930,722	100.00%	- 0 -
2011	12,820,616	12,820,616	100.00%	- 0 -
2012	13,190,170	13,190,170	100.00%	- 0 -
2013	13,482,637	13,482,637	100.00%	- 0 -
2014	13,690,086	13,690,086	100.00%	- 0 -
2015	14,103,870	14,103,870	100.00%	- 0 -
2016	14,362,182	14,362,182	100.00%	- 0 -
2017	14,610,141	14,610,141	100.00%	- 0 -
2018	14,609,541	14,609,541	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Capital Leases			
2008	\$ 5,284,000			\$ 5,284,000	0.49%	\$ 309.31
2009	4,884,000			4,884,000	0.44%	285.56
2010	4,469,000			4,469,000	0.40%	260.90
2011	4,039,000			4,039,000	0.38%	242.48
2012	3,535,000		\$ 422,609	3,957,609	0.33%	237.78
2013	3,055,000		341,320	3,396,320	0.32%	205.64
2014	2,580,000	\$ 189,277	258,446	3,027,723	0.27%	183.33
2015	2,090,000	1,591,747	1,033,261	4,715,008	0.24%	286.63
2016	1,585,000	1,180,698	1,189,865	3,955,563	0.36%	241.05
2017	1,065,000	763,262	854,584	2,682,846	0.30%	164.84
2018	530,000	454,285	999,051	1,983,336	0.20%	121.95

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2008	\$ 5,284,000	\$ -0-	\$ 5,284,000	0.21%	\$ 309
2009	4,884,000	-0-	4,884,000	0.19%	286
2010	4,468,000	-0-	4,468,000	0.18%	261
2011	4,039,000	-0-	4,039,000	0.16%	242
2012	3,535,000	-0-	3,535,000	0.14%	212
2013	3,055,000	-0-	3,055,000	0.12%	185
2014	2,580,000	-0-	2,580,000	0.12%	156
2015	2,090,000	-0-	2,090,000	0.09%	127
2016	1,585,000	-0-	1,585,000	0.07%	97
2017	1,065,000	-0-	1,065,000	0.05%	65
2018	530,000	-0-	530,000	0.02%	33

Source: School District Financial Reports

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2017

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable <sup>a</sup></u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
<u>Debt Repaid With Property Taxes</u>			
Alexandria Township	\$ 5,501,829	100.00%	\$ 5,501,829
Frenchtown Borough	2,128,751	100.00%	2,128,751
Holland Township	250,000	100.00%	250,000
Kingwood Township	2,657,194	100.00%	2,657,194
Milford Borough	683,600	100.00%	683,600
Hunterdon County County General Obligation Debt (All Constituent Municipalities) (1)	75,793,752	11.99%	9,087,351
Subtotal, Overlapping Debt			<u>20,308,725</u>
Delaware Valley Regional High School District Direct Debt			<u>530,000</u>
Total Direct and Overlapping Debt			<u>\$ 20,838,725</u>

(1) Alexandria Township/County of Hunterdon -	3.98%
(1) Frenchtown Borough/County of Hunterdon -	0.91%
(1) Holland Township/County of Hunterdon -	3.39%
(1) Kingwood Township/County of Hunterdon -	3.11%
(1) Milford Borough/County of Hunterdon -	0.60%

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

	<u>Total Equalized Valuation Basis</u>
2015	\$2,338,036,199
2016	2,327,726,022
2017	<u>2,360,301,551</u>
	<u>\$7,026,063,772</u>
Average Equalized Valuation of Taxable Property	<u>\$2,342,021,257</u>
Debt Limit (4% of average equalization value) <sup>a</sup>	\$ 93,680,850
Net Bonded School Debt as of June 30, 2018	<u>530,000</u>
Legal Debt Margin	<u>\$ 93,150,850</u>

	<u>Fiscal Year Ending June 30,</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 83,261,784	\$ 83,850,857	\$ 81,655,498	\$ 78,254,366	\$ 75,789,695
Total Net Debt Applicable to Limit	<u>4,884,000</u>	<u>4,468,000</u>	<u>4,039,000</u>	<u>3,535,000</u>	<u>3,055,000</u>
Legal Debt Margin	<u>\$ 78,377,784</u>	<u>\$ 79,382,857</u>	<u>\$ 77,616,498</u>	<u>\$ 74,719,366</u>	<u>\$ 72,734,695</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	5.87%	5.33%	4.95%	4.52%	4.03%

	<u>Fiscal Year Ending June 30,</u>				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 77,884,791	\$ 70,366,993	\$ 93,134,027	\$ 93,246,074	\$ 93,680,850
Total Net Debt Applicable to Limit	<u>2,580,000</u>	<u>2,090,000</u>	<u>1,585,000</u>	<u>1,065,000</u>	<u>530,000</u>
Legal Debt Margin	<u>\$ 75,304,791</u>	<u>\$ 68,276,993</u>	<u>\$ 91,549,027</u>	<u>\$ 92,181,074</u>	<u>\$ 93,150,850</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.31%	2.97%	1.70%	1.14%	0.57%

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

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



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

**Alexandria Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	5,145	\$ 368,011,560	\$ 71,528	11.70%
2010	4,895	348,773,645	71,251	11.50%
2011	4,883	355,545,879	72,813	11.80%
2012	4,860	367,659,000	75,650	11.80%
2013	4,849	365,537,016	75,384	8.00%
2014	4,838	378,820,238	78,301	4.50%
2015	4,825	389,015,625	80,625	4.10%
2016	4,801	394,205,309	82,109	3.80%
2017	4,805	394,533,745 ***	82,109 *	3.80%
2018	4,805 **	394,533,745 ***	82,109 *	N/A

**Frenchtown Borough**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	1,467	104,931,576	\$ 71,528	6.60%
2010	1,393	99,252,643	71,251	6.50%
2011	1,432	104,268,216	72,813	6.70%
2012	1,379	104,321,350	75,650	6.70%
2013	1,412	106,442,208	75,384	6.70%
2014	1,409	110,326,109	78,301	5.20%
2015	1,407	113,439,375	80,625	3.30%
2016	1,362	111,832,458	82,109	3.10%
2017	1,366	112,160,894 ***	82,109 *	2.80%
2018	1,366 **	112,160,894 ***	82,109 *	N/A

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

**Holland Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	5,268	376,809,504	\$ 71,528	8.40%
2010	5,314	378,627,814	71,251	8.20%
2011	5,282	384,598,266	72,813	8.40%
2012	5,252	397,313,800	75,650	8.40%
2013	5,238	394,861,392	75,384	7.60%
2014	5,220	408,731,220	78,301	5.30%
2015	5,197	419,008,125	80,625	4.60%
2016	5,160	423,682,440	82,109	4.20%
2017	5,151	422,943,459 ***	82,109 *	3.50%
2018	5,151 **	422,943,459 ***	82,109 *	N/A

**Kingwood Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County	
			Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	4,057	290,189,096	\$ 71,528	8.00%
2010	3,828	272,748,828	71,251	7.80%
2011	3,829	278,800,977	72,813	8.00%
2012	3,812	288,377,800	75,650	8.00%
2013	3,807	286,986,888	75,384	4.90%
2014	3,778	295,821,178	78,301	4.90%
2015	3,779	304,681,875	80,625	4.70%
2016	3,759	308,647,731	82,109	3.90%
2017	3,752	308,072,968 ***	82,109 *	3.90%
2018	3,752 **	308,072,968 ***	82,109 *	N/A

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

**Milford Borough**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Hunterdon County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	1,192	85,261,376	\$ 71,528	12.70%
2010	1,227	87,424,977	71,251	12.50%
2011	1,218	88,686,234	72,813	12.90%
2012	1,213	91,763,450	75,650	12.90%
2013	1,209	91,139,256	75,384	5.90%
2014	1,205	94,352,705	78,301	5.10%
2015	1,202	96,911,250	80,625	5.20%
2016	1,193	97,956,037	82,109	4.70%
2017	1,189 **	97,627,601 ***	82,109 *	3.30%
2018	1,189 **	97,627,601 ***	82,109 *	N/A

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

\*\* - Latest population data available (2017) was used for calculation purposes.

\*\*\* - Latest Township/Borough personal income available (2016) was used for calculation purposes.

N/A - Information not available

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

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

Source: Hunterdon County Area Chamber of Commerce

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

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

<u>Function/Program:</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Instruction:</b>										
Regular	64.0	61.0	52.5	56.0	55.0	58.5	59.5	57.5	55.4	52.9
Special Education	14.0	34.0	31.0	28.0	25.8	25.8	13.0	25.8	26.0	24.0
Other	9.0	1.0	2.0	2.5	3.0	3.0	3.0	2.0	5.0	4.0
<b>Support Services:</b>										
Student & Instruction Related Services	32.0	23.3	23.3	24.3	23.8	26.8	38.5	27.8	22.1	30.6
School Administrative Services	6.0	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
General and Business Administrative Services	4.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Central Services	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.7
Administration Information Technology		1.0	0.5	0.5	0.5	0.5	1.5	1.5	1.5	1.0
Plant Operations and Maintenance	10.0	10.5	9.5	11.0	10.5	11.5	11.5	11.5	11.5	12.5
Pupil Transportation	50.0	37.0	31.0	32.0	37.0	49.0	46.1	67.0	59.0	56.0
<b>Total</b>	<u>192.0</u>	<u>177.8</u>	<u>158.8</u>	<u>164.3</u>	<u>165.6</u>	<u>185.1</u>	<u>183.1</u>	<u>203.1</u>	<u>190.5</u>	<u>191.2</u>

Source: School District Financial Reports

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2009	977	\$ 17,359,414	\$ 17,552	4.79%	87.0	10:1	955.5	905.1	-3.23%	94.73%	
2010	1018	17,475,490	17,887	1.91%	87.0	10:1	965.9	914.2	1.09%	94.65%	
2011	1002	16,779,242	16,483	-7.85%	85.5	12:1	1,002.4	946.9	3.78%	94.46%	
2012	972	17,513,459	17,479	6.04%	86.5	12:1	943.4	895.8	-5.89%	94.95%	
2013	977	17,953,922	18,471	5.68%	85.3	12:1	961.3	908.0	1.90%	94.46%	
2014	958	18,573,921	19,011	2.92%	80.0	13:1	945.3	900.3	-1.66%	95.24%	
2015	899	18,655,464	19,473	2.43%	79.5	12:1	893.8	852.2	-5.45%	95.35%	
2016	891	19,293,445	21,654	11.20%	77.5	12:1	880.3	842.4	-1.51%	95.69%	
2017	876	19,292,744	22,024	1.71%	71.0	12:1	828.2	785.9	-5.92%	94.89%	
2018	801	19,844,955	24,775	12.49%	68.7	12:1	693.5	660.2	-16.26%	95.20%	

Sources: School District Records

Note: Enrollment based on annual October district count.

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

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

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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>District Building</u>										
<u>High School</u>										
Square Feet	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000
Capacity (students)	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Enrollment	977	1,018	1,002	972	977	958	899	891	876	801

Number of Schools at June 30, 2018  
 High School = 1

Source: School District Records

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

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-XXX

Facility	Project #(s)	2009	2010	2011	2012	2013
<u>School Facilities:</u>						
Delaware Valley Regional High School District	N/A	\$ 186,197	\$ 159,439	\$ 239,246	\$ 179,706	\$ 244,549
<u>School Facilities:</u>						
Delaware Valley Regional High School District	N/A	\$ 363,977	\$ 302,091	\$ 519,761	\$ 457,695	\$ 364,134

N/A - Not Applicable

Source: Delaware Valley Regional High School District records



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJ Schools Insurance Group (NJSIG):		
<u>PROPERTY SECTION:</u>		
Blanket Building and Contents (fund limit)	\$ 500,000,000	\$ 5,000
Accounts Receivable	250,000	5,000
Automobile Physical Damage	In Blanket Limit	5,000
Electronic Data Processing Equipment	1,500,000	1,000
<u>LIABILITY SECTION:</u>		
Comprehensive General Liability	10,000,000	
Automobile Liability	10,000,000	
Employee Benefit Liability	10,000,000	1,000
<u>CRIME:</u>		
Blanket Employee Dishonesty	100,000	1,000
Forgery & Alteration	100,000	1,000
Money & Security	10,000	1,000
Money Orders/Counterfeit	10,000	1,000
Computer Fraud	50,000	1,000
<u>SCHOOL BOARD LEGAL LIABILITY - NJSIG</u>	10,000,000	10,000
Zurich Insurance Company (NJSIG):		
<u>ENVIRONMENT IMPAIRMENT LIABILITY:</u>		
Limit of Liability:		
Incident	1,000,000	10,000
Fund Annual Aggregate	11,000,000	
<u>WORKERS' COMPENSATION (NJSIG):</u>		
(a) Statutory Benefits	Included	
(b) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	
Selective Insurance Company:		
Public Employee's Faithful Performance Blanket Position Bond -		
Board Secretary - T Barna	250,000	
Treasurer - R Krov	210,000	
<u>Student Accident: Axis Insurance Co</u>		
Base	25,000	
Catastrophic	5,000,000	25,000

Source: Delaware Valley Regional High School District records

SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delaware Valley Regional High School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2019.

**Internal Control Over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

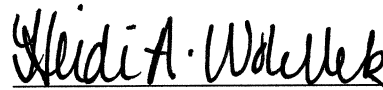
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Purpose of this Report**

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

Mount Arlington, New Jersey  
January 18, 2019

NISIVOCCIA, LLP



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



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance

Independent Auditors' Report

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

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

We have audited the Board of Education of the Delaware Valley Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2018. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2018.

**Report on Internal Control Over Compliance**

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

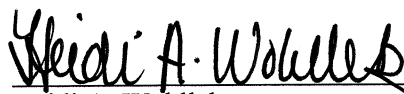
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Mount Arlington, New Jersey  
January 18, 2019

NISIVOCIA, LLP

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass Through Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2017		Cash Received	Budgetary Expenditures	Balance 6/30/2018		Amount Provided to Subrecipients	
					(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue		
U.S. Department of Education												
Passed-Through State Department of Education												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
Title I, Part A	84.010	ESEA105018	7/1/17-6/30/18	\$23,926			\$ 1,031	\$ (7,171)	\$ (6,140)			
Title I, Part A	84.010	NCLB105017	7/1/16-6/30/17	25,120	\$ (9,512)		9,512					
Title II, Part A	84.367	ESEA105018	7/1/17-6/30/18	11,669			10,000	(10,000)				
Title II, Part A	84.367	NCLB105017	7/1/16-6/30/17	11,717	(10,038)		10,038					
Title III, Part A	84.365	ESEA105018	7/1/17-6/30/18	877			877	(877)				
Title IV, Part A	84.365	ESEA105018	7/1/17-6/30/18	10,000			7,860	(7,860)				
Total Elementary and Secondary Education Act					(19,550)		39,318	(25,908)	(6,140)			
Emergency Impact Aid for Displaced Students												
	84.938C	N/A	7/1/17-6/30/18	4,750				(4,750)	(4,750)			
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA105018	7/1/17-6/30/18	174,166			174,166	(174,166)				
Total Special Education Cluster							174,166	(174,166)				
Total Special Revenue Fund					(19,550)		213,484	(204,824)	(10,890)			
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/16-6/30/17	10,669				(1,594)	(1,594)			
Food Distribution Program	10.555	N/A	7/1/17-6/30/18	11,507			11,507	(10,586)	\$ 921			
School Breakfast Program	10.553	N/A	7/1/16-6/30/17	4,774	(325)		325					
School Breakfast Program	10.553	N/A	7/1/17-6/30/18	4,101			3,969	(4,101)	(132)			
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	28,530	(1,024)		1,024					
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	27,660			27,010	(27,660)	(650)			
Total Child Nutrition Cluster					(1,349)		43,835	(43,941)	(782)	921		
Total Federal Awards					(20,899)		\$257,319	\$ (248,765)	\$ (11,672)	\$ 921	\$ -0-	

N/A - Not Applicable

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2017		Cash Received	Budgetary Expenditures	Cancelled	Balance 6/30/2018		Memo	
				Budgetary (Accounts Receivable)	Award Amount				GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)		
NJ Department of Education:												
Equalization Aid	17-495-034-5120-078	7/01/16-6/30/17	\$3,173,700	\$ (315,232)	\$ 315,232	\$ 315,232				\$ 315,232	\$ 3,173,700	
Categorical Special Education Aid	17-495-034-5120-089	7/01/16-6/30/17	592,662	(58,867)	58,867	58,867					592,662	
Categorical Transportation Aid	17-495-034-5120-034	7/01/16-6/30/17	116,642	(11,586)	11,586	11,586					116,642	
Categorical Security Aid	17-495-034-5120-084	7/01/16-6/30/17	74,763	(7,426)	7,426	7,426					74,763	
Adjustment Aid	17-495-034-5120-085	7/01/16-6/30/17	21,693	(2,155)	2,155	2,155					21,693	
PARCC Readiness Aid	17-495-034-5120-098	7/01/16-6/30/17	9,080	(902)	902	902					9,080	
Per Pupil Growth Aid	17-495-034-5120-097	7/01/16-6/30/17	9,080	(902)	902	902					9,080	
Professional Learning Community Aid	17-495-034-5120-101	7/01/16-6/30/17	8,210	(815)	815	815					8,210	
Extraordinary Aid	17-495-034-5120-044	7/01/16-6/30/17	133,029	(133,029)	133,029	133,029					133,029	
Non-Public Transportation	17-495-034-5120-014	7/01/16-6/30/17	2,465	(2,465)	2,465	2,465					2,465	
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/01/16-6/30/17	504,753	(24,788)	24,788	24,788					504,753	
Equalization Aid	18-495-034-5120-078	7/01/17-6/30/18	481,259		481,259	481,259	\$ (481,259)		\$ (315,046)		481,259	
Categorical Transportation Aid	18-495-034-5120-014	7/01/17-6/30/18	3,173,700		2,858,654	2,858,654	(3,173,700)		(11,579)		3,173,700	
Categorical Special Education Aid	18-495-034-5120-089	7/01/17-6/30/18	116,642		105,063	105,063	(116,642)		(58,832)		116,642	
Categorical Security Aid	18-495-034-5120-084	7/01/17-6/30/18	592,662		533,830	533,830	(592,662)		(7,422)		592,662	
Adjustment Aid	18-495-034-5120-085	7/01/17-6/30/18	74,763		67,341	67,341	(74,763)		(2,153)		74,763	
PARCC Readiness Aid	18-495-034-5120-098	7/01/17-6/30/18	21,693		19,540	19,540	(21,693)		(901)		21,693	
Per Pupil Growth Aid	18-495-034-5120-097	7/01/17-6/30/18	9,080		8,179	8,179	(9,080)		(815)		9,080	
Professional Learning Community Aid	18-495-034-5120-101	7/01/17-6/30/18	8,210		7,395	7,395	(8,210)		(201,658)		8,210	
Extraordinary Aid	18-495-034-5120-044	7/01/17-6/30/18	201,658				(201,658)		(3,506)		201,658	
Non-Public Transportation	18-495-034-5120-014	7/01/17-6/30/18	3,506				(3,506)				3,506	
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/01/17-6/30/18	624,252		624,252	624,252	(624,252)				624,252	
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/01/17-6/30/18	943,617		943,617	943,617	(943,617)				943,617	
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/01/17-6/30/18	22,899		22,899	22,899	(22,899)				22,899	
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/01/17-6/30/18	1,194		1,194	1,194	(1,194)				1,194	
Total General Fund State Aid				(558,167)	6,239,569	6,239,569	(6,284,215)		(205,164)	(602,813)	10,930,292	
Special Revenue Fund:												
Vocational State Shared Grant	18-100-054-5062-032	4/01/15-6/30/18	590,096		44,938	44,938	(62,618)		(10,391)	(17,680)	210,358	
Total Special Revenue Fund					44,938	44,938	(62,618)		(10,391)	(17,680)	210,358	
Total NJ Department of Education				(558,167)	6,284,507	6,284,507	(6,346,833)		(215,555)	(620,493)	11,140,650	



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2017		Cash Received	Budgetary Expenditures	Cancelled	Balance 6/30/2018		Memo	
				Budgetary (Accounts Receivable)	(60)				(Accounts Receivable)	(Accounts Receivable)		
State Department of Agriculture												
Enterprise Funds:												
State School Lunch Program	17-100-010-3350-023	7/01/16-6/30/17	\$ 1,711	\$ (60)	\$ 60	\$ 1,888	\$ (1,930)		\$ (42)	\$ (42)	\$ 1,711	
State School Lunch Program	18-100-010-3350-023	7/01/17-6/30/18	1,930	(60)	1,948	1,948	(1,930)		(42)	(42)	1,930	
Total Enterprise Fund											3,641	
NJ School Development Authority (SDA)												
Capital Projects Fund:												
Window Replacement	1050-040-14-1002	7/01/14-6/30/18	1,041,770	(1,041,770)		88,687		\$ 5,758		(1,041,770)	88,687	
Potable Well Replacement	1050-040-14-1005	7/01/14-6/30/18	94,445	(94,445)								
Public Announcement System Replacement	1050-040-14-1007	7/01/14-6/30/18	147,090	(147,090)	147,090	147,090	(291,765)	363,518			147,090	
Auditorium HVAC Replacement	1050-040-14-1006	7/01/16-6/30/18	655,283	(655,283)	291,765	291,765	(291,765)				291,765	
Total Capital Projects Fund				(1,938,588)	527,542	527,542	(291,765)	369,276		(1,041,770)	527,542	
Total State Awards Subject to Single Audit Determination				\$ (2,496,815)	\$ 6,813,997	\$ 6,813,997	(6,640,528)	\$ 369,276		\$ (1,662,305)	\$ 11,671,833	
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/01/17-6/30/18	624,252								624,252	
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/01/17-6/30/18	943,617								943,617	
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/01/17-6/30/18	22,899								22,899	
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/01/17-6/30/18	1,194								1,194	
Subtotal - On-Behalf TPAF Pension System Contributions											1,591,962	
Total State Awards Subject to Single Audit Major Program Determination											\$ (5,048,566)	

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Delaware Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$236 for the General Fund, (\$8,953) for the special revenue fund (of which \$186 is attributable to the District local grants), and \$896,818 for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,284,451	\$ 6,284,451
Special Revenue Fund	\$ 202,974	55,329	258,303
Capital Projects		527,542	527,542
Food Service Fund	43,941	1,930	45,871
Total Awards	<u>\$ 246,915</u>	<u>\$ 6,869,252</u>	<u>\$ 7,116,167</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2018. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$1,041,770 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2018, the grant funds have not been expended and submitted for reimbursement. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

During the fiscal year ended June 30, 2018, the District submitted for reimbursement and collected \$527,542 of SDA grant funds under three grant awards. An amount of \$369,276 was cancelled on two of these awards. These grants were complete as of June 30, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

State:	Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State Aid Public:				
Categorical Special Education Aid	18-495-034-5120-089	7/01/17-6/30/18	\$ 592,662	\$ 592,662
Equalization Aid	18-495-034-5120-078	7/01/17-6/30/18	3,173,700	3,173,700
Categorical Security Aid	18-495-034-5120-084	7/01/17-6/30/18	74,763	74,763
Adjustment Aid	18-495-034-5120-085	7/01/17-6/30/18	21,693	21,693
PARCC Readiness Aid	18-495-034-5120-098	7/01/17-6/30/18	9,080	9,080
Per Pupil Growth Aid	18-495-034-5120-097	7/01/17-6/30/18	9,080	9,080
Professional Learning Community Aid	18-495-034-5120-101	7/01/17-6/30/18	8,210	8,210

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

Summary of Auditors' Results (Cont'd):

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Status of Prior Year Findings:

The District had no prior year audit findings.