

**SCHOOL DISTRICT
OF
PASCACK VALLEY REGIONAL**

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

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

**Comprehensive Annual
Financial Report**

of the

Pascack Valley Regional High School District

Montvale, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2018

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors.....	13
 FINANCIAL SECTION.....	 14
Independent Auditors' Report.....	15
Required Supplementary Information.....	18
Management's Discussion and Analysis (Unaudited).....	19
 Basic Financial Statements (Sections A. and B.).....	 28
A. District-Wide Financial Statements.....	29
A-1 Statement of Net Position	30
A-2 Statement of Activities.....	31
B. Fund Financial Statements.....	33
B-1 Balance Sheet – Governmental Funds.....	34
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	36
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	37
B-4 Statement of Net Position – Proprietary Funds.....	38
B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds	39
B-6 Statement of Cash Flows – Proprietary Funds.....	40
B-7 Statement of Fiduciary Net Position – Fiduciary Funds	41
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds	42
 Notes to the Basic Financial Statements.....	 43
Required Supplementary Information (Unaudited)	82
L Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions	83
L-1 Schedule of District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System.....	83
L-2 Schedule of District Contributions – Public Employees Retirement System	84
L-3 Schedule of State's Proportionate Share of the Net Pension Liability attributable to the District – Teachers' Pension and Annuity Fund.....	85
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	86
L-5 Schedule of Changes in the State's Total OPEB Liability and Related Ratios.....	87
 Notes to Required Supplementary Information.....	 88

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (Sections D. to I.)

C.	Budgetary Comparison Schedules (Unaudited).....	89
C-1	Budgetary Comparison Schedule – General Fund	90
C-2	Combining Budgetary Schedule – Special Revenue Fund	104
C-3	Budgetary Comparison Schedule – Notes to Required Supplementary Information.....	105
D.	School Level Schedules (Not Applicable).....	107
E.	Special Revenue Fund	108
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	109
E-2	Preschool Education Aid Schedule of Expenditures Special Revenue Fund – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	113
F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance	114
F-1a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Construct and Equip Additions and Renovations to Both High Schools.....	115
F-1b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - A Wing HVAC Controls Upgrade at Pascack Hills High School	116
F-1c	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - A Wing Window Replacement at Pascack Hills High School	117
F-1d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - D Wing Window Replacement at Pascack Hills High School	118
F-1e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - 54-56 Wing Window Replacement at Pascack Valley High School	119
F-1f	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - 72 Wing Window Replacement at Pascack Valley High School	120
F-1g	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Girl’s Locker Room and Classroom Renovation at Pascack Valley High School	121
F-1h	Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Music Renovation at Pascack Hills High School	122
G.	Proprietary Funds.....	123
Enterprise Fund:		
G-1	Combining Statement of Net Position	124
G-2	Combining Statement of Revenue, Expenses and Changes in Net Position.....	125
G-3	Combining Statement of Cash Flows	126
H.	Fiduciary Funds	127
H-1	Combining Statement of Fiduciary Net Position	128
H-2	Statement of Changes in Fiduciary Net Position	129
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	130
H-4	Student Activity Agency Fund Statement of Activity	131
H-5	Payroll Agency Fund Schedule of Receipts and Disbursements	132
H-6	Professional Development Costs Agency Fund Schedule of Receipts and Disbursements.....	133

H-7	E-Learning Agency Fund Schedule of Receipts and Disbursements.....	134
-----	--	-----

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

TABLE OF CONTENTS

FISCAL YEAR ENDED JUNE 30, 2018

(Continued)

FINANCIAL SECTION (Cont'd)

I.	Long-Term Debt.....	135
I-1	Schedule of Serial Bonds	136
I-2	Schedule of Obligations Under Capital Leases (Not Applicable)	137
I-3	Debt Service Fund Budgetary Comparison Schedule.....	138

STATISTICAL SECTION (Unaudited)

J.	Statistical Section	139
J-1	Net Position by Component.....	140
J-2	Changes in Net Position.....	141
J-3	Fund Balances- Governmental Funds.....	144
J-4	Changes in Fund Balances- Governmental Funds	145
J-5	General Fund Other Local Revenue by Source	147
J-6	Assessed Value and Actual Value of Taxable Property	148
J-7	Direct and Overlapping Property Tax Rates	150
J-8	Principal Property Tax Payers	152
J-9	Property Tax Levies and Collections.....	154
J-10	Ratios of Outstanding Debt by Type	156
J-11	Ratios of Net General Bonded Debt Outstanding.....	157
J-12	Ratios of Overlapping Governmental Activities Debt.....	158
J-13	Legal Debt Margin Information.....	159
J-14	Demographic and Economic Statistics	160
J-15	Principal Employers.....	162
J-16	Full-Time Equivalent District Employees by Function/Program	163
J-17	Operating Statistics.....	164
J-18	School Building Information	165
J-19	Schedule of Required Maintenance for School Facilities.....	166
J-20	Insurance Schedule	167

K. SINGLE AUDIT SECTION..... 169

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	170
K-2	Independent Auditors' Report on Compliance For Each Major State Program and on Internal Control over Compliance	172
K-3	Schedule of Expenditures of Federal Awards.....	174
K-4	Schedule of Expenditures of State Awards.....	175
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	177
K-6	Schedule of Findings and Questioned Costs.....	179
K-7	Summary Schedule of Prior Audit Findings.....	181

INTRODUCTORY SECTION

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

Mr. P. Erik Gundersen
Superintendent of Schools

Ms. Pamela Baxley
Business Administrator/Board Secretary

January 18, 2019

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

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Pascack Valley Regional High School District for the fiscal year ended June 30, 2018. This CAFR includes the District's basic financial statements prepared in accordance with pronouncements of the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all materials respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

HILLSDALE

MONTVALE

RIVERVALE

WOODCLIFF LAKE

Schools and Communities – Partners in Education

1) REPORTING ENTITY AND ITS SERVICES

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

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

The Pascack Valley Regional High School District provides a full range of educational services appropriate for grade levels 9 through 12. These include regular, as well as, special education for handicapped youngsters. As of June 30, 2018 Pascack Hills High School reported a student enrollment of 818 and Pascack Valley High School had 1,234 students on roll. The District completed the 2017-2018 fiscal year with a total enrollment of 2,052 students, which represents an increase of 1% over the previous year's enrollment.

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

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

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

PASCACK HILLS HIGH SCHOOL

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

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

The program of studies at Pascack Hills High School offers a challenging Honors and Advanced Placement Program, a selection of dual enrollment courses, specialized electives, and unique programs in humanities, molecular genetics, and video production. The performance of our students has been exceptional. Academic honors awarded to members of the Class of 2017 include eight National Merit Commended students and 13 Advanced Placement Scholars, 5 Advanced Placement Scholars with Honors.

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

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

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

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

PASCACK VALLEY HIGH SCHOOL

Pascack Valley High School is a school that focuses on academic excellence and challenges each of its students to meet high expectations. The student/teacher ratio enables the staff to work individually and in clusters with students to maintain high academic standards while meeting student needs. Academic excellence is the foundation of student life. During the 2017-2018 school year we had 8 National Merit Commended Students. In addition, we continue to have an increase in the number of students challenging themselves at the AP level. We continue to have a large number of students taking an AP test while maintaining passing scores exceeding the state average. 84.5% of the students taking an AP test scores, along with 40% of the graduating senior class, scored at least a 3 or higher. This year we had 37 students named AP Scholars, 15 AP Scholars with Honors, and 17 students achieved AP Scholar with Distinction status and 5 students met the National AP Scholar level.

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

The Student Council is an exceptional group involved in the essence of student life at Pascack Valley. Dedicated to student issues and service to the community, it is truly a student government. Members of the executive council meet on a regular basis to be proactive in creating a positive atmosphere within the building along with reaching out to help the community. All students are encouraged to become engaged in student clubs and activities. As in past years, each grade level committed itself to supporting a charitable cause by raising funds and awareness throughout the school year. Getting involved in positive, focused activities enhances student life and their school experiences. Community service to our local community and the community-at-large is a major commitment by groups within the school. Student opportunities for development and growth are explored beyond the classroom in a variety of co-curricular activities and athletic programs. In 2017-2018 Pascack Valley High School received the honor of being recognized as an Apple Distinguished School for its innovation, leadership, and educational excellence. This is the 10th year in a row Pascack Valley has received such distinction. We have also been recognized nationally by being selected to be part of the Digital Promise network, which is an elite national organization that selects the top innovated schools in the country.

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

PARENT/FACULTY ORGANIZATIONS

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

CURRICULUM AND INSTRUCTION

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

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

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

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

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

During the 2017-18 school year the Pascack Valley Regional High School District devoted two full days for professional development in addition to three half day experiences for professional staff. The district used the Marzano model of "Professional Learning Communities" (aka "PLC's) to have groups of teachers work collaboratively on a year-long project that looked at student engagement, assessment, and other instructional strategies. This is in addition to the variety of professional development workshops, school visitations, peer observations, study groups, and afterschool training that was offered to teachers. Lastly, during the 2017-2018 school year the Regional Curriculum Office had another successful year of providing curriculum coordination, professional development, and instructional coaching for the four sending districts. This office launched on July 1, 2012.

The Pascack Valley Regional High School District mission is to prepare students for college, careers, and life. Their vision is to create a culture of innovation, inquiry, and individuality that promotes achievement and choice by cultivating the skills needed to compete and collaborate as ethical and responsible global citizens. Largely in part to the technology tools provided through our nationally recognized 1:1 laptop

program, now entering its 15th year, all participants in our learning community, students and teachers alike, have the opportunity and resources to achieve that vision.

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

Complacency promotes mediocrity, while progression promotes excellence. As we have for the past 15 years, Board Members, administration, faculty, staff, students and parents will work together to seek and achieve excellence with our instructional program and 1:1 laptop program. We will continue to explore and embrace the ever-changing tools needed for achieving our vision and excellence. We will continue to work with our community to provide an outstanding and progressive educational environment for our students. We will continue to seek out new global connections to prepare students for the global economy.

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

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

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

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

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

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

SPECIAL SERVICES

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

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

This is accomplished through a comprehensive continuum of in-district placement options. Classified students can be mainstreamed with supplementary aides and services in general education classes. Also, inclusive education is provided through in-class support from a Special Education Teacher in collaboratively taught classes with approximately 83 such classes offered District wide.

Students also benefit from Secondary Special classes (taught by General Education Content Specialists with no more than 16 classified students per class), Resource Replacement classes (taught by Highly Qualified Special Education Teachers with no more than 12 students per class) and Resource Pull-out Support (Study Skills) classes. The District offers approximately 214 collaborative and special education classes.

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

The Special Services Department is comprised of two Child Study Teams (four Psychologists, two Social Workers, and four Learning Consultants), along with 24 Special Education Teachers, 18 one-to-one and Instructional Assistants, a Speech and Language Therapist, Coordinator of Special Programs, and a full-time Behavior Consultant.

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

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

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

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

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

Pascack Valley Regional High School District services approximately 384 classified students within the District. There are an additional 43 students placed out-of-district in county and private facilities. The District has accepted 24 tuition students and services a total of 53 students in the District's special programs.

2) ECONOMIC CONDITION AND OUTLOOK

New Jersey continues to gradually gain momentum but is still behind the rest of the nation in overall economic growth since the recession. Demographics have been influenced by millennials moving to urban environments and businesses following suit. The impact has been felt heavily by suburban corporate facilities. In addition, New Jersey's cost of living is higher than competing areas and the state has seen a significant outflow of residents and businesses, including the loss of corporate headquarters for Mercedes Benz in Montvale. As a result, fewer companies and consumers are left to fund state revenues which in turn puts pressure on local school districts seeking aid. One of the state's largest challenges continues to be funding the state pension system and to stop the underfunded liability from increasing. New Jersey's weak fiscal position has led to downgrades in its credit rating.

The district is striving to take advantage of exciting developments in education and the emergence of cutting-edge technologies which has created new fields such as data analytics, sustainability, entrepreneurship, and STEM programs. However, all of New Jersey's public schools can only take advantage of these technologies if underfunding is dealt with.

While continuing to work within the a tax cap increase of 2%, Governor Murphy signed legislation which will take effect in 2020 to fully fund public school districts. Current school funding law will be modified to eliminate adjustment aid as well as State aid growth caps. This approach is meant to provide more equitable funding distribution. Over the course of seven years, aid to overfunded districts will be reduced and aid to underfunded districts will be increased to ensure that all public schools receive appropriate levels of state assistance under the School Funding Reform Act (SFRA) by fiscal year 2025. Meanwhile, the burden of funding school budgets will continue to rely heavily on community taxpayers.

3) MAJOR INITIATIVES

Our students continue to score significantly above the state and national average in all standardized measures of achievement. The SAT scores for the District Class of 2018 remain substantially above the state & national averages. 931 AP tests were taken by 423 of our students; 33 of them were deemed "AP Scholars". Of our graduates, approximately 97% of the students in the Pascack Valley Regional High School District attend postsecondary schools.

As in years past, a number of building maintenance projects were completed during the year. In general,

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

Several major projects were completed in 2017-2018, including construction of a new athletic complex at Pascack Hills and a new turf field at Pascack Valley.

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

4) INTERNAL ACCOUNTING CONTROLS

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

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

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

5) BUDGETARY CONTROLS

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

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

6) ACCOUNTING SYSTEMS AND REPORTS

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

7) CASH MANAGEMENT

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

8) RISK MANAGEMENT

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

The Board is a member of the Northeast Bergen County School Board Insurance Group, ("NESBIG"). The NESBIG is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the NESBIG is included in Note 11 to the Basic Financial Statements.

9) OTHER INFORMATION

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

10) ACKNOWLEDGMENTS

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

Respectfully submitted,

P. Erik Gundersen

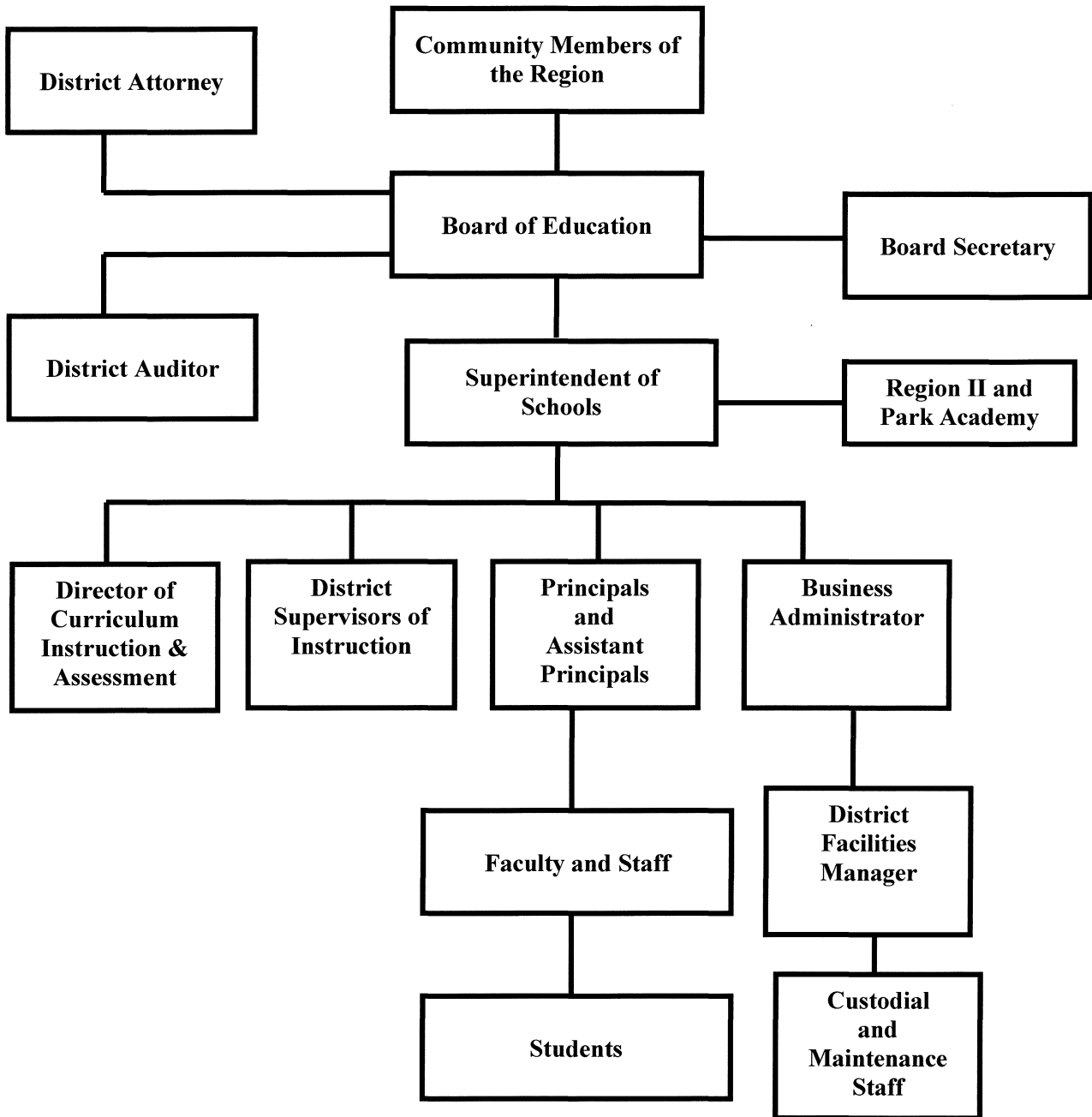
Mr. P. Erik Gundersen
Superintendent

Pamela Baxley

Ms. Pamela Baxley
Business Administrator/Board Secretary

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

ORGANIZATIONAL CHART



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

**ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>	<u>Sending District</u>
Mr. Jeffrey Steinfeld, President	2018	Hillsdale
Ms. Janet Bissinger, Vice President	2018	Montvale
Mr. Joseph Blundo	2018	River Vale
Mr. Brian Hallowell	2020	Montvale
Ms. Tammy Molinelli	2019	Woodcliff Lake
Mr. Kenneth Ralph	2020	Hillsdale
Mr. Arnold Scher	2020	Hillsdale
Mr. James Stankus	2019	Woodcliff Lake
Mr. David Steinberg	2020	Hillsdale

Other Officials

Mr. P. Erik Gundersen, Superintendent

Ms. Pamela Baxley, Business Administrator/Board Secretary

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

Mrs. Deborah Carpino, Treasurer

Rodney T. Hara, Solicitor

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

Consultants and Advisors

Architect

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

Audit Firm

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

and

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

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

Official Depository

Valley National Bank
1460 Valley Road
Wayne, NJ 07675

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pascack Valley Regional High School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 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 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.

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

The 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.

Mount Arlington, New Jersey
January 18, 2019


NISIVOCCIA LLP



Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

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

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

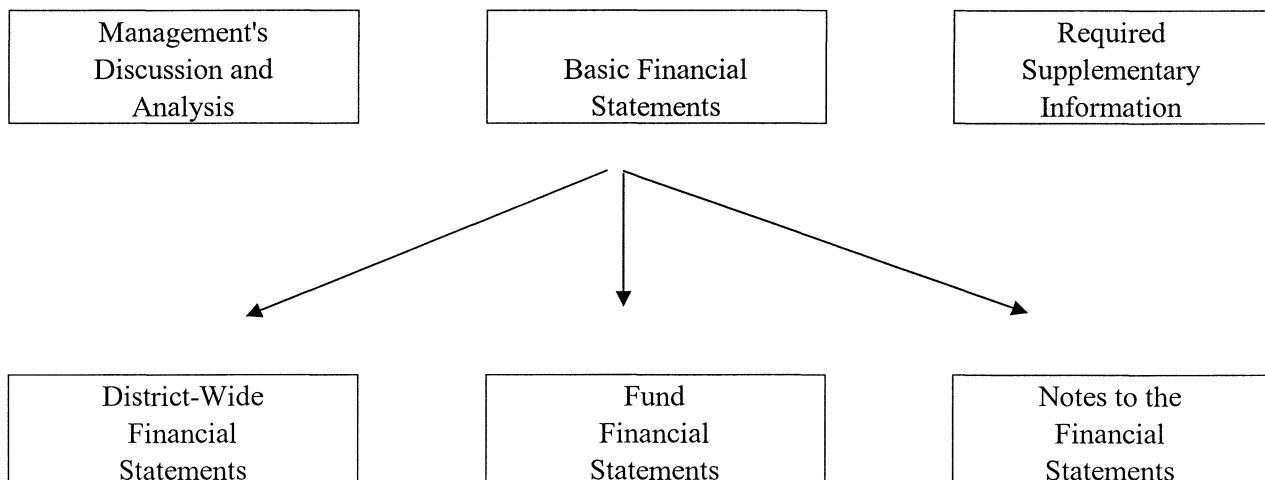
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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 and others.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

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

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



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

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

Figure A-2

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

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2018 and 2017. The District's combined net position was \$36,882,503, on June 30, 2018 or .26% less than the year before. Net investment in capital assets increased by \$889,848. Restricted net position increased by \$1,427,657 due to increases the emergency reserve of \$1,250, capital projects of \$465,407 and maintenance reserve of \$1,050,750, offset by a decrease in excess surplus of \$89,750. Unrestricted net position decreased by \$2,415,330.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017/18	2016/17 Restated	2017/18	2016/17 Restated	2017/18	2016/17 Restated	
Assets:							
Current and Other Assets	\$ 16,182,564	\$ 16,725,344	\$ 591,344	\$ 605,205	\$ 16,773,908	\$ 17,330,549	
Capital Assets, Net	55,149,890	55,588,846	73,971	69,547	55,223,861	55,658,393	
Total Assets	71,332,454	72,314,190	665,315	674,752	71,997,769	72,988,942	-1.36%
Deferred Outflows of Resources	6,075,864	7,491,590	400,838	531,658	6,476,702	8,023,248	-19.28%
Liabilities:							
Long-Term Liabilities	35,864,190	40,907,874	1,241,423	1,620,500	37,105,613	42,528,374	
Other Liabilities	1,064,213	1,319,354	153,541	184,134	1,217,754	1,503,488	
Total Liabilities	36,928,403	42,227,228	1,394,964	1,804,634	38,323,367	44,031,862	-12.96%
Deferred Inflows of Resources	3,019,414		249,187		3,268,601		100.00%
Net Position:							
Net Investment in Capital Assets	36,594,195	35,708,771	73,971	69,547	36,668,166	35,778,318	
Restricted	12,930,925	11,503,268			12,930,925	11,503,268	
Unrestricted/(Deficit)	(12,064,619)	(9,633,487)	(651,969)	(667,771)	(12,716,588)	(10,301,258)	
Total Net Position/(Deficit)	\$ 37,460,501	\$ 37,578,552	\$ (577,998)	\$ (598,224)	\$ 36,882,503	\$ 36,980,328	-0.26%

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

Financial Analysis of the District as a Whole

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,255,489	\$ 966,246	\$7,102,400	\$6,907,092	\$ 8,357,889	\$ 7,873,338	
Grants and Contributions:							
Operating	17,673,718	16,752,380			17,673,718	16,752,380	
Capital	175,315				175,315		
General Revenue:							
Property Taxes	48,753,843	47,884,230			48,753,843	47,884,230	
Federal and State Aid							
State Aid Not Restricted	35,828	35,828			35,828	35,828	
Other	198,619	430,162	247,625	298	446,244	430,460	
Total Revenue	<u>68,092,812</u>	<u>66,068,846</u>	<u>7,350,025</u>	<u>6,907,390</u>	<u>75,442,837</u>	<u>72,976,236</u>	3.38%
Expenses:							
Instruction	37,599,469	36,194,112			37,599,469	36,194,112	
Pupil and Instruction Services	12,960,663	12,518,982			12,960,663	12,518,982	
Administrative and Business	5,504,445	5,336,572			5,504,445	5,336,572	
Maintenance and Operations	6,220,622	5,761,088			6,220,622	5,761,088	
Transportation	1,808,059	1,830,454			1,808,059	1,830,454	
Other	4,117,606	4,535,005	7,329,800	6,934,880	11,447,406	11,469,885	
Total Expenses	<u>68,210,864</u>	<u>66,176,213</u>	<u>7,329,800</u>	<u>6,934,880</u>	<u>75,540,664</u>	<u>73,111,093</u>	
Change in Net Position	<u>\$ (118,052)</u>	<u>\$ (107,367)</u>	<u>\$ 20,225</u>	<u>\$ (27,490)</u>	<u>\$ (97,827)</u>	<u>\$ (134,857)</u>	27.46%

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

Governmental Activities

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

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

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

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

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

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017/18</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2016/17</u>
Instruction	\$ 37,599,469	\$ 36,194,112	\$ 25,455,290	\$24,516,194
Pupil and Instruction Services	12,960,663	12,518,982	9,038,545	9,078,103
Administrative and Business	5,504,445	5,336,572	4,025,427	4,078,263
Maintenance and Operations	6,220,622	5,761,088	4,851,647	4,589,768
Transportation	1,808,059	1,830,454	1,617,827	1,660,254
Other	4,117,606	4,535,005	4,117,606	4,535,005
	<u>\$ 68,210,864</u>	<u>\$ 66,176,213</u>	<u>\$ 49,106,342</u>	<u>\$ 48,457,587</u>

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

Business-Type Activities

Net position from the District’s business-type activity increased by \$20,225 (Refer to Figure A-4). Factors contributing to these results included:

- The District established a new enterprise fund called Milestone Program, which saw a \$314,829 deficit in net position as it was the first year in existence. Park Academy enterprise fund decreased in net position by \$142,198, offset by increases in net position of \$226,834 in the food service enterprise fund and \$250,418 in the Region II fund.

Financial Analysis of the District’s Funds

Difficult economic times have had a direct impact upon the District’s revenue sources. Ratables in the municipalities have been impacted by the relocation of Mercedes Benz to an out of state location, thus generating concern for the local tax levy in the future. The District was able to transition its banking services to another financial institution which offered more favorable terms and will generate additional interest from investments.

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

General Fund Budgetary Highlights

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

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2017/2018 budget was difficult as a result of rising costs. This resulted in the need for line item transfers during the fiscal year.

Capital Asset and Long-Term Liabilities

**Figure A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District	
	2017/18	2016/17 Restated	2017/18	2016/17 Restated	2017/18	2016/17 Restated
	Land	\$ 6,245,500	\$ 6,245,500			\$ 6,245,500
Construction in Progress	5,210,886	3,690,063			5,210,886	3,690,063
Land Improvements	1,613,787	1,779,059			1,613,787	1,779,059
Buildings and Building Improvements	41,884,904	42,637,254			41,884,904	42,637,254
Machinery and Equipment	194,813	1,236,970	\$ 73,971	\$ 69,547	268,784	1,306,517
Total Capital Assets (Net of Depreciation)	\$ 55,149,890	\$ 55,588,846	\$ 73,971	\$ 69,547	\$ 55,223,861	\$ 55,658,393

During the 2017/2018 school year the District authorized and continued work on various projects within the District, some of which are being funded in part with Schools Development Authority grants.

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

Long-term Liabilities

At fiscal year end, the District had \$18,340,000 of general obligation bonds outstanding – a decrease of \$1,305,000 from last year. In addition, the District has \$16,283,819 of net pension liability – a net decrease of \$3,972,637 from last year, \$1,434,561 of unamortized bond issuance premium – a net decrease of \$177,963 from last year, and \$1,047,233 in compensated absences payable – a net increase of \$32,839 from the prior year.

Figure A-7

Outstanding Long-Term Liabilities

	Total School District	
	2017/18	2016/17
General Obligation Bonds (Financed with Property Taxes)	\$ 18,340,000	\$ 19,645,000
Other Long - Term Liabilities	18,765,613	22,883,374
	\$ 37,105,613	\$ 42,528,374

Factors Bearing on the District’s Future Revenue/Expenses

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

- The current economic crisis in our state has generated concern in the educational community for public school funding.
- Governor Murphy has signed legislation to modify current school funding law.
- The district faces challenges for financial planning to continue the expansion and renovation of both Pascack Hills and Pascack Valley High Schools to meet curriculum demands and aging facilities.

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

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

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

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

Facility Upgrades

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

Contracting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,112,059	\$ 472,803	\$ 6,584,862
Interfund Receivables	47,440		47,440
Internal Balances	1,207,666	(1,207,666)	
Receivables from Federal Government	68,470		68,470
Receivables from State Government	483,336		483,336
Receivables from Other Governments	56,164	1,301,667	1,357,831
Other Receivables	17,097	16,769	33,866
Inventory		7,771	7,771
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	6,729,082		6,729,082
Maintenance Reserve Account	1,203,750		1,203,750
Emergency Reserve Account	257,500		257,500
Capital Assets, Net:			
Sites (Land) and Construction in Progress	11,456,386		11,456,386
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	43,693,504	73,971	43,767,475
Total Assets	<u>71,332,454</u>	<u>665,315</u>	<u>71,997,769</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	1,218,866		1,218,866
Deferred Outflows Related to Pensions	4,856,998	400,838	5,257,836
Total Deferred Outflows of Resources	<u>6,075,864</u>	<u>400,838</u>	<u>6,476,702</u>
LIABILITIES			
Current Liabilities:			
Interfund Payable	53		53
Accounts Payable	795,698	111,568	907,266
Accrued Interest Payable	244,235		244,235
Payable to State Government	14,771		14,771
Unearned Revenue	9,456	41,973	51,429
Noncurrent Liabilities:			
Due Within One Year	1,527,963		1,527,963
Due Beyond One Year	34,336,227	1,241,423	35,577,650
Total Liabilities	<u>36,928,403</u>	<u>1,394,964</u>	<u>38,323,367</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	3,019,414	249,187	3,268,601
Total Deferred Inflows of Resources	<u>3,019,414</u>	<u>249,187</u>	<u>3,268,601</u>
NET POSITION			
Net Investment in Capital Assets	36,594,195	73,971	36,668,166
Restricted for:			
Capital Projects	6,729,082		6,729,082
Emergency Reserve Account	257,500		257,500
Maintenance Reserve Account	1,203,750		1,203,750
Excess Surplus	4,740,593		4,740,593
Unrestricted/(Deficit)	<u>(12,064,619)</u>	<u>(651,969)</u>	<u>(12,716,588)</u>
Total Net Position/(Deficit)	<u>\$ 37,460,501</u>	<u>\$ (577,998)</u>	<u>\$ 36,882,503</u>

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

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

Functions/Programs	Program Revenues			Net (Expenses)/Revenues 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	\$ 28,845,263		\$ 8,005,318		\$ (20,839,945)		\$ (20,839,945)
Special Education	5,637,714		3,301,275		(2,336,439)		(2,336,439)
Other Special Instruction	16,113		74,738		58,625		58,625
Other Instruction	3,100,379		762,848		(2,337,531)		(2,337,531)
Support Services:							
Tuition	3,179,569	\$ 1,255,489			(1,924,080)		(1,924,080)
Student & Instruction Related Services	9,781,094		2,666,629		(7,114,465)		(7,114,465)
General Administrative Services	1,207,304		260,545		(946,759)		(946,759)
School Administrative Services	2,405,540		716,797		(1,688,743)		(1,688,743)
Central Services	1,119,237		313,673		(805,564)		(805,564)
Administration Information Technology	772,364		188,003		(584,361)		(584,361)
Plant Operations and Maintenance	6,220,622		1,193,660	\$ 175,315	(4,851,647)		(4,851,647)
Pupil Transportation	1,808,059		190,232		(1,617,827)		(1,617,827)
Interest on Long-Term Debt	646,415				(646,415)		(646,415)
Capital Outlay	278,534				(278,534)		(278,534)
Unallocated Depreciation	3,192,657				(3,192,657)		(3,192,657)
Total Governmental Activities	68,210,864	1,255,489	17,673,718	175,315	(49,106,342)		(49,106,342)

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

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 899,916	\$ 879,125			\$ (20,791)	\$ (20,791)	
Park Academy	876,653	734,455			(142,198)	(142,198)	
Region II Transportation and Administration	4,849,989	5,100,407			250,418	250,418	
Region II Summer School	53,963	53,963					
Milestone Program	549,434	234,605			(314,829)	(314,829)	
Transportation	99,845	99,845					
Total Business-Type Activities	7,329,800	7,102,400			(227,400)	(227,400)	
Total Primary Government	\$ 75,540,664	\$ 8,357,889	\$ 17,673,718	\$ 175,315	\$ (49,106,342)	(227,400)	\$ (49,333,742)
General Revenues and Other Item:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					46,828,562	46,828,562	
Taxes Levied for Debt Service					1,925,281	1,925,281	
State Aid Not Restricted					35,828	35,828	
Interest and Miscellaneous Income					198,619	199,244	
Other Item - Cancellation of Prior Year Interfund Payable						247,000	
Total General Revenues and Other Item					48,988,290	247,625	49,235,915
Change in Net Position					(118,052)	20,225	(97,827)
Net Position/(Deficit) - Beginning - Restated					37,578,553	(598,223)	36,980,330
Net Position/(Deficit) - Ending					\$ 37,460,501	\$ (577,998)	\$ 36,882,503

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,764,664		\$ 2,347,395	\$ 6,112,059
Interfund Receivable	2,780,544			2,780,544
Receivables from Federal Government		\$ 68,470		68,470
Receivables from State Government	477,141	6,195		483,336
Receivables from Other Governments	56,164			56,164
Other Receivables	17,097			17,097
Restricted Cash and Cash Equivalents	8,190,332			8,190,332
Total Assets	<u>\$ 15,285,942</u>	<u>\$ 74,665</u>	<u>\$ 2,347,395</u>	<u>\$ 17,708,002</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 53	\$ 43,207	\$ 1,482,231	\$ 1,525,491
Payable to State Government		14,771		14,771
Accounts Payable	93,196	9,625	1,112	103,933
Unearned Revenue	2,394	7,062		9,456
Total Liabilities	<u>95,643</u>	<u>74,665</u>	<u>1,483,343</u>	<u>1,653,651</u>
Fund Balances:				
Restricted:				
Excess Surplus	2,250,000			2,250,000
Excess Surplus - Subsequent Year's Expenditures	2,490,593			2,490,593
Capital Reserve Account	6,729,082			6,729,082
Maintenance Reserve Account	1,203,750			1,203,750
Emergency Reserve Account	257,500			257,500
Committed - Capital Projects Fund			864,052	864,052
Assigned:				
Encumbrances	828,350			828,350
Designated for Subsequent Year's Expenditures	78,374			78,374
Unassigned:				
Unassigned - General Fund	1,352,650			1,352,650
Total Fund Balances	<u>15,190,299</u>		<u>864,052</u>	<u>16,054,351</u>
Total Liabilities and Fund Balances	<u>\$ 15,285,942</u>	<u>\$ 74,665</u>	<u>\$ 2,347,395</u>	<u>\$ 17,708,002</u>

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

Funds Balances - Governmental Funds (Above)	\$ 16,054,351
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	55,149,890
Deferred Amount on Refunding is not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$2,170,388 and the accumulated amortization is \$951,522.	1,218,866
Interest on Long-Term Debt is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(244,235)
Bond Premiums are reported as revenue in the Funds. These premiums total \$2,502,352 and the accumulated amortization is \$1,067,791.	(1,434,561)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(15,042,396)

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

	<u>Total Governmental Funds</u>
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Change in Deferred Outflows	\$ 4,165,233
Change in Deferred Inflows	(3,019,414)
Long-Term Liabilities, Including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	
	<u>(19,387,233)</u>
Net Position of Governmental Activities	<u>\$ 37,460,501</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 46,828,562			\$ 1,925,281	\$ 48,753,843
Tuition Charges	1,255,489				1,255,489
Miscellaneous	189,937		\$ 8,682		198,619
Total - Local Sources	48,273,988		8,682	1,925,281	50,207,951
State Sources	8,066,652	\$ 289,123	175,315		8,531,090
Federal Sources		478,123			478,123
Total Revenues	56,340,640	767,246	183,997	1,925,281	59,217,164
EXPENDITURES					
Current:					
Regular Instruction	16,597,356	317,710			16,915,066
Special Education Instruction	2,955,743	449,536			3,405,279
Other Instruction	2,002,817				2,002,817
Support Services and Undistributed Costs:					
Tuition	3,179,569				3,179,569
Student & Instruction Related Services	5,794,472				5,794,472
General Administrative Services	821,663				821,663
School Administrative Services	1,345,257				1,345,257
Central Services	657,572				657,572
Administration Information Technology	377,500				377,500
Plant Operations and Maintenance	4,332,677				4,332,677
Pupil Transportation	1,744,554				1,744,554
Unallocated Benefits	13,079,707				13,079,707
Debt Service:					
Principal				1,305,000	1,305,000
Interest and Other Charges				680,475	680,475
Capital Outlay	3,231,027		577,504		3,808,531
Total Expenditures	56,119,914	767,246	577,504	1,985,475	59,450,139
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	220,726		(393,507)	(60,194)	(232,975)
OTHER FINANCING SOURCES/(USES)					
Transfers In	8,682		1,115,563	60,194	1,184,439
Transfers Out	(1,115,563)		(68,876)		(1,184,439)
Total Other Financing Sources/(Uses)	(1,106,881)		1,046,687	60,194	
Net Change in Fund Balances	(886,155)		653,180		(232,975)
Fund Balance — July 1	16,076,454		210,872		16,287,326
Fund Balance — June 30	\$ 15,190,299	\$ -0-	\$ 864,052	\$ -0-	\$ 16,054,351

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (232,975)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.

Depreciation expense	\$ (3,862,590)
Capital outlays	(438,956)
	3,423,634

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)

1,305,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).

14,681

The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+)

177,963

The governmental funds report the effect of the deferred amount on the refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities (-)

(158,584)

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

Change in Net Pension Liability	3,593,560
Change in Deferred Outflows	(1,326,488)
Change in Deferred Inflows	(3,019,414)

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

(32,839)

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

\$ (118,052)

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

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

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds	Major Funds	Total Enterprise
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 14,096	\$ 458,707	\$ 472,803
Accounts Receivable:			
Intergovernmental - Other	2,845	1,298,822	1,301,667
Other	16,769		16,769
Inventories	7,771		7,771
Total Current Assets	41,481	1,757,529	1,799,010
Non-Current Assets:			
Capital Assets	233,630		233,630
Less: Accumulated Depreciation	(159,659)		(159,659)
Total Non-Current Assets	73,971	-0-	73,971
Total Assets	115,452	1,757,529	1,872,981
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	49,176	200,927	250,103
Difference between Expected and Actual Experience - Pensions	5,747	23,484	29,231
Net Difference between projected and actual investment earnings on Pension Plan Investments	1,662	6,791	8,453
Changes in Proportions - Pensions	11,003	44,958	55,961
District Contribution Subsequent to the Measurement Date	11,225	45,865	57,090
Total Deferred Outflows of Resources	78,813	322,025	400,838
LIABILITIES			
Current Liabilities:			
Interfund Payable - General Fund	89,813	1,117,853	1,207,666
Accounts Payable - Vendors		54,478	54,478
Accounts Payable - State	11,225	45,865	57,090
Unearned Revenue	30,349	11,624	41,973
Noncurrent Liabilities:			
Net Pension Liability	244,093	997,330	1,241,423
Total Liabilities	375,480	2,227,150	2,602,630
DEFERRED INFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	48,996	200,191	249,187
Total Deferred Outflows of Resources	48,996	200,191	249,187
NET POSITION			
Investment in Capital Assets	73,971		73,971
Unrestricted / (Deficit)	(304,182)	(347,787)	(651,969)
Total Net Position/(Deficit)	\$ (230,211)	\$ (347,787)	\$ (577,998)

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

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

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds	Major Funds	Total Enterprise
Operating Revenue:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	\$ 851,223		\$ 851,223
Special Events	1,320		1,320
Free Lunch Subsidized	26,582		26,582
Charges and Fees	388,413	\$ 5,834,862	6,223,275
Total Operating Revenue	1,267,538	5,834,862	7,102,400
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	417,059		417,059
Salaries	595,761	1,884,525	2,480,286
Employee Benefits	307,284	208,978	516,262
Purchased Services	203,966	821,759	1,025,725
Contracted Services		2,737,256	2,737,256
Supplies and Materials	54,030	4,375	58,405
Depreciation Expense	4,058		4,058
Rent	21,000	60,000	81,000
Miscellaneous		9,749	9,749
Total Operating Expenses	1,603,158	5,726,642	7,329,800
Operating Income/(Loss)	(335,620)	108,220	(227,400)
Non-Operating Revenue:			
Interest Revenue	625		625
Total Non-Operating Revenue	625	-0-	625
Change Before Other Item	(334,995)	108,220	(226,775)
Cancellation of Interfund Payable	247,000		247,000
Change in Net Position After Other Item	(87,995)	108,220	20,225
Net Position/(Deficit) - Beginning of Year - Restated	(142,216)	(456,007)	(598,223)
Net Position/(Deficit) - End of Year	\$ (230,211)	\$ (347,787)	\$ (577,998)

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

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Funds</u>	<u>Major Funds</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,254,405	\$ 5,538,958	\$ 6,793,363
Receipts from District	26,582		26,582
Payments to Employees	(274,226)	(2,137,304)	(2,411,530)
Payments for Employee Benefits	(62,273)	(177,803)	(240,076)
Payments for Services	(104,341)	(3,549,880)	(3,654,221)
Payments for Rent	(21,000)	(60,000)	(81,000)
Payments to Food Service Vendor	(908,967)		(908,967)
Payments to Suppliers	(22,195)	(14,124)	(36,319)
Net Cash Provided by/(Used for) Operating Activities	<u>(112,015)</u>	<u>(400,153)</u>	<u>(512,168)</u>
Cash Flows from Investing Activities:			
Interest Revenue	625		625
Net Cash Provided by Investing Activities	<u>625</u>	<u>-0-</u>	<u>625</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Payable - General Fund		1,105,853	1,105,853
Interfund Receivable- General Fund	77,443	(882,534)	(805,091)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>77,443</u>	<u>223,319</u>	<u>300,762</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(8,481)		(8,481)
Net Cash Used for Noncapital Financing Activities	<u>(8,481)</u>		<u>(8,481)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(42,428)	(176,834)	(219,262)
Cash and Cash Equivalents, July 1	56,524	635,541	692,065
Cash and Cash Equivalents, June 30	<u>\$ 14,096</u>	<u>\$ 458,707</u>	<u>\$ 472,803</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (335,620)	\$ 108,220	\$ (227,400)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	4,058		4,058
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	8,690	(278,911)	(270,221)
(Increase) in Inventory	(942)		(942)
(Increase)/Decrease in Change in Assumptions	(180)	334,944	334,764
Increase/(Decrease) in Difference between Expected and Actual Experience	(5,747)	6,653	906
Increase/(Decrease) in Investment Gains - Pensions	(1,662)	55,000	53,338
(Increase)/Decrease in Changes in Proportion - Pensions	(11,003)	4,969	(6,034)
Increase/(Decrease) in Pension Liability	244,093	(623,170)	(379,077)
Increase/(Decrease) in Accounts Payable	(18,461)	9,135	(9,326)
Increase/(Decrease) in Unearned Revenue	4,759	(16,993)	(12,234)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (112,015)</u>	<u>\$ (400,153)</u>	<u>\$ (512,168)</u>

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2018

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
ASSETS:				
Cash and Cash Equivalents	\$ 754,825	\$ 109,137		\$ 296,354
Other Receivables			\$ 22,091	
Total Assets	754,825	109,137	22,091	296,354
LIABILITIES:				
Interfund Payable:				
General Fund	47,387			
Payroll Deductions and Withholdings	224,447			
Due to Student Groups	334,507			
E- Learning Costs	148,484			
Total Liabilities	754,825			
NET POSITION:				
Held in Trust for:				
Unemployment Claims		109,137		
Flexible Spending Claims			22,091	
Restricted for Scholarships				296,354
Total Net Position	\$ -0-	\$ 109,137	\$ 22,091	\$ 296,354

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

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

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS:			
Contributions:			
Plan Member	\$ 46,931	\$ 46,308	
Other			\$ 44,590
	<u> </u>	<u> </u>	<u> </u>
Total Contributions	46,931	46,308	44,590
	<u> </u>	<u> </u>	<u> </u>
Investment Earnings:			
Interest	534		
	<u> </u>	<u> </u>	<u> </u>
Net Investment Earnings	534		
	<u> </u>	<u> </u>	<u> </u>
Total Additions	47,465	46,308	44,590
	<u> </u>	<u> </u>	<u> </u>
DEDUCTIONS:			
Quarterly Contribution Reports	35,653		
Flexible Spending Claims		29,824	
Scholarships Awarded			14,450
	<u> </u>	<u> </u>	<u> </u>
Total Deductions	35,653	29,824	14,450
	<u> </u>	<u> </u>	<u> </u>
Change in Net Position	11,812	16,484	30,140
Net Position - Beginning of the Year	97,325	5,607	266,214
	<u> </u>	<u> </u>	<u> </u>
Net Position - End of the Year	<u>\$ 109,137</u>	<u>\$ 22,091</u>	<u>\$ 296,354</u>

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 expenditure for principal and interest.

The District reports the following proprietary funds:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 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. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the fiscal year).

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

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 fiscal year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 56,371,802	\$ 769,706
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(2,460)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	32,067	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(63,229)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 56,340,640	\$ 767,246
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,119,914	\$ 769,706
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:		
Current Year Encumbrances		(2,460)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 56,119,914	\$ 767,246

PASCACK 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)

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

	Capital Projects Fund	
	Revenue	Fund Balance
Committed Fund Balance		\$ 1,322,576
SDA Grant Receivable/Revenue Recognized/(Not Recognized) on the GAAP Basis	\$ 175,315	(458,524)
Revenue/Fund Balance per Governmental Funds (GAAP Basis)	\$ 175,315	\$ 864,052

E. Cash and Cash Equivalents and Investments:

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

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

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

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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 an expenditure during the fiscal year of purchase.

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

PASCACK 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:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at 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 as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	40 years
Land Improvements	20 years
Machinery and Equipment	10 to 15 years

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2018.

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 fiscal years.

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

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

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

N. Compensated Absences: (Cont'd)

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$15,190,299 General Fund fund balance at June 30, 2018 \$828,350 is assigned for encumbrances, \$78,374 is designated for subsequent year's expenditures; \$6,729,082, \$1,203,750 and \$257,500 is restricted in the capital reserve, maintenance reserve and emergency reserve accounts, respectively; \$4,740,593 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$2,490,593 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2019 and the remaining \$2,250,000 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2020); and \$1,352,650 is unassigned which is \$63,229 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2019.

Capital Projects Fund: Of the \$864,052 Capital Projects Fund fund balance at June 30, 2018 \$864,052 is committed for capital projects which are financed with SDA grants, capital outlay, or capital reserve funds which is \$458,524 less than the budgetary basis due to SDA Grants receivable not recognized on the GAAP basis.

Debt Service Fund: The Debt Service Fund fund balance is \$-0- at June 30, 2018.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2018 as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$63,229 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

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

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

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$12,064,619 in governmental activities, which is primarily due to compensated absences payable, and liabilities and deferred inflows and outflows related to pensions. The Region II Enterprise Fund Transportation Fund has a deficit in unrestricted net position of \$564,847 and the Milestone Program has a deficit in unrestricted net position of \$314,829, which is due to liabilities and deferred inflows and outflows related to pensions. The Milestone Program Fund has a deficit in unrestricted net position of \$314,829 which mostly due to liabilities and deferred inflows and outflows related to pensions. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Fund Balance Restrictions, Commitments and Assignments:

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

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

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, and 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 has committed resources in the Capital Projects Fund 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 fiscal year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2018.

PASCACK 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)

S. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had a deferred outflow of resources at June 30, 2018 for the deferred amount on the refunding of debt related to the District's 2012 and 2013 refunding bonds and for changes in assumptions for pensions, changes in proportion in pensions, difference between expected and actual experience in pensions, net difference between projected and actual investment earnings in pensions and district contribution subsequent to the measurement date in pensions.

The District had a deferred inflow of resources for changes in assumptions in pensions at June 30, 2018.

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

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

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

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

PASCACK 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)

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations 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;

PASCACK 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)

- (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 funds 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;
 - (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 and investments of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents			Total
		Capital	Maintenance	Emergency	
Checking Accounts	\$ 7,745,178	\$ 6,729,082	\$ 1,203,750	\$ 257,500	\$ 15,935,510
	\$ 7,745,178	\$ 6,729,082	\$ 1,203,750	\$ 257,500	\$ 15,935,510

During the period ended June 30, 2018, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments, at June 30, 2018, was \$15,935,510 and the bank balance was \$16,019,002.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

PASCACK 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)

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

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 6,203,481
Interest Earnings	5,000
Deposit by Board Resolution	2,285,977
Unexpended Projects Returned	293,338
Withdrawals by Board Resolution	<u>(2,058,714)</u>
Ending Balance, June 30, 2018	<u>\$ 6,729,082</u>

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

NOTE 5. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the emergency reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 256,250
Interest Earnings	<u>1,250</u>
Ending Balance, June 30, 2018	<u>\$ 257,500</u>

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

NOTE 6. MAINTENANCE RESERVE ACCOUNT

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

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

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

The activity of the maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 153,000
Interest Earnings	750
Deposit by Board Resolution	1,050,000
Withdrawals	<u>-0-</u>
Ending Balance, June 30, 2018	<u>\$ 1,203,750</u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ending June 30, 2018, the District transferred \$140,993 to the capital outlay accounts for equipment, which did not require County Superintendent approval.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 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	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 6,245,500			\$ 6,245,500
Construction in Progress	3,690,063	\$ 3,043,789	\$ (1,522,966)	5,210,886
Total Capital Assets Not Being Depreciated	9,935,563	3,043,789	(1,522,966)	11,456,386
Capital Assets Being Depreciated:				
Land Improvements	4,447,430	30,890		4,478,320
Buildings and Building Improvements	54,666,531	190,805	1,522,966	56,380,302
Machinery and Equipment	7,350,750	158,150		7,508,900
Total Capital Assets Being Depreciated	66,464,711	379,845	1,522,966	68,367,522
Governmental Activities Capital Assets	76,400,274	3,423,634		79,823,908
Less Accumulated Depreciation for:				
Land Improvements	(2,668,371)	(196,162)		(2,864,533)
Buildings and Building Improvements	(12,029,277)	(2,466,121)		(14,495,398)
Machinery and Equipment	(6,113,780)	(1,200,307)		(7,314,087)
	(20,811,428)	(3,862,590)		(24,674,018)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 55,588,846	\$ (438,956)	\$ - 0 -	\$ 55,149,890
	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 225,148	\$ 8,482		\$ 233,630
Less Accumulated Depreciation	(155,601)	(4,058)		(159,659)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 69,547	\$ 4,424	\$ -0-	\$ 73,971

The \$3,043,789 addition to construction in progress is the result of the District's \$577,505 Capital Projects Fund expenditure and \$2,466,284 capital outlay expenditures in the General Fund.

The District had various active construction projects as of June 30, 2018. As of June 30, 2018, the District has \$1,322,576 in active construction projects including -\$0- of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 531,701
Administrative Information Technology	115,996
Plant Operations and Maintenance	22,236
Unallocated	3,192,657
	<u>\$ 3,862,590</u>

PASCACK 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

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

	Balance 6/30/17	Added	Retired	Balance 6/30/18
Serial Bonds Payable	\$ 19,645,000		\$ 1,305,000	\$ 18,340,000
Unamortized Bond Issuance Premium	1,612,524		177,963	1,434,561
Net Pension Liability	20,256,456		3,972,637	16,283,819
Compensated Absences Payable	1,014,394	82,912	50,073	1,047,233
	<u>\$ 42,528,374</u>	<u>\$ 82,912</u>	<u>\$ 5,505,673</u>	<u>\$ 37,105,613</u>

A. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$177,963 and is separated from the long-term liability balance of \$1,256,598.

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2018 is \$1,350,000 and the long-term portion is \$16,990,000. Bonds are liquidated through the debt service fund.

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

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds	08/15/2022	3.00%	\$ 7,270,000
School Refunding Bonds	08/15/2028	2.00%-4.00%	11,070,000
			<u>\$ 18,340,000</u>

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

Fiscal Year Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,350,000	\$ 680,475	\$ 2,030,475
2019	1,400,000	640,650	2,040,650
2020	1,450,000	599,400	2,049,400
2021	1,505,000	556,650	2,061,650
2022	1,565,000	512,325	2,077,325
Thereafter:			
2023-2027	9,020,000	1,688,575	10,708,575
2028	2,050,000	162,300	2,212,300
	<u>\$ 18,340,000</u>	<u>\$ 4,840,375</u>	<u>\$ 23,180,375</u>

PASCACK 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)

C. Bonds Authorized But Not Issued:

As of June 30, 2018, the Board had no bonds authorized but not issued.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$1,047,233. The current portion of this liability is -\$0-.

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, no liability existed for compensated absences in the proprietary funds. Compensated absences are liquidated by the related fund, in this case the general fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund, Park Academy Enterprise Fund, Milestone Program Enterprise Fund, and the Region II Transportation Enterprise Fund. The current portion of the net pension liability at June 30, 2018 is \$-0- and the long-term portion is \$16,283,819. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS):

Plan Description

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$610,892 for 2018.

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's liability was \$16,283,819 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 0.069%, which was an increase of 0.001% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized actual pension expense in the amount of \$648,035. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	<u>Deferral Year</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	\$ 184,723	
	2015	5.72	778,101	
	2016	5.57	2,317,801	
	2017	5.48	<u>3,280,625</u>	<u>\$ (3,268,601)</u>
				<u>(3,268,601)</u>
Changes in Proportion	2014	6.44	141,180	
	2015	5.72	246,910	
	2016	5.57	68,251	
	2017	5.48	<u>277,705</u>	
			<u>734,046</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(195,128)	
	2015	5.00	166,455	
	2016	5.00	697,924	
	2017	5.00	<u>(558,369)</u>	
			<u>110,882</u>	
Difference Between Expected and Actual Experience	2015	5.72	215,881	
	2016	5.57	70,339	
	2017	5.48	<u>97,208</u>	
			<u>383,428</u>	
District Contribution Subsequent to the Measurement Date	2017	1.00	<u>748,855</u>	
			<u>\$ 5,257,836</u>	<u>\$ (3,268,601)</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2018	\$ 383,337
2019	578,465
2020	350,520
2021	(466,193)
2022	<u>(339,792)</u>
	<u>\$ 506,337</u>

PASCACK 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)

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.

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 following table:

PASCACK 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 (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 Equi	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 7.00% 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 local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

PASCACK 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)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 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	\$ 20,201,183	\$ 16,283,819	\$ 13,020,170

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.

Benefits Provided

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 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 \$2,952,906 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$9,068,698.

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.

PASCACK 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)

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 \$130,908,794. 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 0.194%, which was an increase of 0.006% 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	<u>130,908,794</u>
Total	<u><u>\$ 130,908,794</u></u>

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$9,068,698 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 financial statements.

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
				<u>13,378,255,364</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>
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><u>\$ 14,160,879,257</u></u>	<u><u>\$ 11,800,239,661</u></u>

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

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 TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(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 Equ	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 on 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.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 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:

PASCACK 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 (Cont'd)

	June 30, 2017		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
Total Net Pension Liability	\$ 155,523,743	\$ 130,908,784	\$ 110,630,876

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 \$5,628 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$9,869 for the year ended June 30, 2018.

PASCACK 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. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ -0-	\$ 534	\$ 46,931	\$ 35,653	\$ 109,137
2016-2017	-0-	330	81,346	52,564	97,325
2015-2016	-0-	241	36,093	43,847	68,213

Property and Liability Insurance

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

NESBIG provides general liability, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. NESBIG is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for NESBIG are elected.

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

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

NOTE 11. RISK MANAGEMENT (Cont'd)

The audit report for the fiscal year ended June 30, 2018 was not available as of the date of this report. Selected, summarized financial information for NESBIG as of June 30, 2017 is as follows:

Total Assets	<u>\$ 29,578,940</u>
Net Position	<u>\$ 11,291,596</u>
Total Revenue	<u>\$ 13,336,520</u>
Total Expenses	<u>\$ 11,608,268</u>
Change in Net Position	<u>\$ 1,728,252</u>
Member Dividends	<u>\$ -0-</u>

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

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

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

NOTE 12. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2018, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

Governmental Funds		
	Special	Total
General	Revenue	Governmental
		Funds
\$ 828,350	\$ 2,460	\$ 830,810

On the District's Governmental Fund Balance Sheet as of June 30, 2018, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$2,460 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances existed at June 30, 2018:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
General Fund	\$ 2,780,544	\$ 53
Special Revenue		43,207
Capital Projects Fund		1,482,231
Proprietary Funds - Transportation - Region II		1,105,853
Proprietary Funds - Park Academy		12,000
Proprietary Funds -Milestone Program		89,813
Fiduciary Funds - Payroll Net		17,415
Fiduciary Funds - Payroll Agency	53	30,025
	\$ 2,780,597	\$ 2,780,597

The general fund interfund receivable consists of monies loaned to the Special Revenue Fund as the Federal grant funds had not been received by fiscal year end creating a negative cash flow; on-behalf expenditures due from the Capital Projects Fund, interest earnings, and a transfer from Capital Projects Fund for the cancelation of projects funded by the capital reserve which are due back to general fund; monies loaned to the Proprietary Funds (Transportation, Park Academy, and Milestone Program) to meet short-term cash flow needs as the Proprietary Funds have outstanding receivables at fiscal year end; and monies due from the Agency Fund (Payroll) and (Payroll Net) for an interfund loan, interest earnings, and cancelation of old unidentified balance.

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

NOTE 14. DEFERRED COMPENSATION

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

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

NOTE 15. 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 16. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2018:

	Governmental Funds			District Contribution Subsequent to the Measurement Date	Total Governmental Activities	District Contribution Subsequent to the Measurement Date	Business-Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund				Total Proprietary Activities
Vendors	\$ 93,196	\$ 9,625	\$ 1,112		\$ 103,933		\$ 54,478
State of NJ		14,771		\$ 691,765	706,536	\$ 57,090	57,090
	<u>\$ 93,196</u>	<u>\$ 24,396</u>	<u>\$ 1,112</u>	<u>\$ 691,765</u>	<u>\$ 810,469</u>	<u>\$ 57,090</u>	<u>\$ 111,568</u>

NOTE 17. 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.

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

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made prior year adjustments in the District Wide Financial Statements to adjust capital assets due to an updated appraisal report. As a result, the District Wide Financial Statements as of June 30, 2017 have been restated as follows:

	Balance 6/30/2017 as Previously Reported	Retroactive Adjustments	Balance 6/30/2017 Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Capital Assets, Net:			
Sites (Land)	\$ 6,245,500		\$ 6,245,500
Construction in Progress	3,690,063		3,690,063
Depreciable Buildings and Building Improvements, Site Improvements and Machinery and Equipment	38,027,660	\$ 7,625,623	45,653,283
Total Assets	64,688,568	7,625,623	72,314,191
Net Position:			
Net Investment in Capital Assets	28,083,149	7,625,623	35,708,772
Total Net Position	29,952,930	7,625,623	37,578,553

Statement of Net Position - Business-Type Activities:

Assets:			
Capital Assets, Net:			
Depreciable Buildings and Building Improvements and Machinery and Equipment	87,428	(17,881)	69,547
Total Assets	692,633	(17,881)	674,752
Net Position:			
Investment in Capital Assets	87,428	(17,881)	69,547
Total Net Position	(580,342)	(17,881)	(598,223)

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*

PASCACK 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)
General Information about the OPEB Plan (Cont'd)

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.

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	<u>223,747</u>
Total	<u><u>366,078</u></u>

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.

PASCACK 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)
General Information about the OPEB Plan (Cont'd)

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

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.

PASCACK 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)
General Information about the OPEB Plan (Cont'd)

Changes in the State's Total OPEB Liability

	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

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	\$ 95,607,209	\$ 80,540,352	\$ 68,589,178
	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	\$ 104,099,004	\$ 86,892,454	\$ 73,348,693

PASCACK 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)
General Information about the OPEB Plan (Cont'd)

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	\$ 66,236,654	\$ 80,540,352	\$ 99,535,495
	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 71,297,678	\$ 86,892,454	\$ 107,741,184

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 \$4,713,359 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)

PASCACK 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)
General Information about the OPEB Plan (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:

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

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

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

**SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION**

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0651608925%	0.0678582550%	0.0683943911%
District's proportionate share of the net pension liability	\$ 12,080,929	\$ 15,232,818	\$ 20,256,456
District's covered employee payroll	\$ 4,617,790	\$ 4,699,693	\$ 4,775,762
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.62%	324.12%	424.15%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%
			48.10%
			324.46%
			16,283,819
			5,018,780
			0.0699524789%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 537,177	\$ 538,329	\$ 567,557
Contributions in relation to the contractually required contribution	(537,177)	(538,329)	(567,557)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,651,316	\$ 4,617,790	\$ 4,699,693
Contributions as a percentage of covered employee payroll	11.55%	11.66%	12.08%
			12.79%
			\$ 610,892
			(610,892)

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.1868945847%	0.1849861808%	0.1884997318%
State's proportionate share of the net pension liability attributable to the District	\$ 99,889,073	\$ 116,919,166	\$ 148,285,854
District's covered employee payroll	\$ 19,161,369	\$ 19,640,775	\$ 20,425,197
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	521.30%	595.29%	725.99%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%
			2018
			0.1941586831%
			\$ 130,908,794
			\$ 20,961,007
			624.53%
			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.

PASCACK 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
Contractually required contribution	\$ 727,021	\$ 5,374,970	\$ 11,141,619
Contributions in relation to the contractually required contribution	<u>(727,021)</u>	<u>(1,000,103)</u>	<u>(2,107,542)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ 4,374,867</u>	<u>\$ 9,034,077</u>
District's covered employee payroll	\$ 19,161,369	\$ 19,640,775	\$ 20,425,197
Contributions as a percentage of covered employee payroll	3.79%	5.09%	10.32%
			14.09%
			<u>\$ 9,068,698</u>
			<u>(2,952,906)</u>

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Years Ending</u>	
	<u>June 30, 2016</u>	<u>June 30, 2017</u>
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	<u>(1,223,298,019)</u>	<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	<u>46,849,651,824</u>	<u>57,831,784,184</u>
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.

PASCACK 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
(UNAUDITED)**

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 46,828,562		\$ 46,828,562	\$ 46,828,562	
Tuition from Individuals				22,684	\$ 22,684
Tuition from LEAS Within State	640,000		640,000	1,232,805	592,805
Interest Earned on Emergency Reserve Funds	1,250		1,250	1,250	
Interest Earned on Capital Reserve Funds	5,000		5,000	5,000	
Interest Earned on Maintenance Reserve	750		750	750	
Miscellaneous	190,000		190,000	182,937	(7,063)
Total - Local Sources	47,665,562		47,665,562	48,273,988	608,426
State Sources:					
Special Education Categorical Aid	928,282		928,282	1,006,656	78,374
Security Aid	35,828		35,828	35,828	
Transportation Aid	110,465		110,465	110,465	
PARCC Readiness Aid	20,650		20,650	20,650	
Per Pupil Growth Aid	20,650		20,650	20,650	
Professional Learning Community Aid	20,670		20,670	20,670	
Extraordinary Special Education Costs Aid				363,944	363,944
Nonpublic School Transportation Costs				36,830	36,830
Homeless Tuition Aid				1,875	
On-Behalf TPAF Post Retirement Contributions				1,953,503	1,953,503
On-Behalf TPAF Pension Contributions				2,952,906	2,952,906
On-Behalf TPAF Non-Contributory Insurance				71,660	71,660
On-Behalf TPAF Long-Term Disability Insurance				3,618	3,618
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,498,559	1,498,559
Total State Sources	1,136,545		1,136,545	8,097,814	6,959,394
TOTAL REVENUES	48,802,107		48,802,107	56,371,802	7,567,820

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 14,196,213	\$ (8,398)	\$ 14,187,815	\$ 13,840,138	\$ 347,677
Regular Programs - Home Instruction:					
Salaries of Teachers	102,800	(15,400)	87,400	35,068	52,332
Purchased Professional - Educational Services	20,000	(2,000)	18,000	9,800	8,200
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	221,014	18,884	239,898	239,898	
Other Purchased Services (400-500 series)	2,313,973	397,192	2,711,165	2,007,531	703,634
General Supplies	495,500	(21,548)	473,952	392,383	81,569
Textbooks	70,430	(4,618)	65,812	40,649	25,163
Other Objects	54,572	325	54,897	31,889	23,008
Total Regular Programs - Instruction	17,474,502	364,437	17,838,939	16,597,356	1,241,583
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	232,009	76,575	308,584	272,639	35,945
Other Salaries for Instruction	121,834	25,142	146,976	143,581	3,395
General Supplies	6,965	1,171	8,136	4,044	4,092
Textbooks	3,893	(1,719)	2,174	1,830	344
Total Learning and/or Language Disabilities	364,701	101,169	465,870	422,094	43,776

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Behavioral Disabilities:					
Salaries of Teachers	\$ 629,549	\$ 6,752	\$ 636,301	\$ 612,503	\$ 23,798
Other Salaries for Instruction	32,668	111,767	144,435	141,712	2,723
General Supplies	3,247	1,619	4,866	3,201	1,665
Textbooks	1,654	49	1,703	1,700	3
Total Behavioral Disabilities	667,118	120,187	787,305	759,116	28,189
Resource Room/Resource Center:					
Salaries of Teachers	1,607,974	(93,853)	1,514,121	1,464,713	49,408
Other Salaries for Instruction	345,668	(85,893)	259,775	259,775	
General Supplies	2,000	(1,625)	375	375	
Textbooks	2,000	(1,070)	930		930
Total Resource Room/Resource Center	1,957,642	(182,441)	1,775,201	1,724,863	50,338
Home Instruction:					
Salaries of Teachers	25,700	1,085	26,785	25,371	1,414
Purchased Professional - Educational Services	7,500	17,565	25,065	24,299	766
Total Home Instruction	33,200	18,650	51,850	49,670	2,180
Total Special Education Instruction	3,022,661	57,565	3,080,226	2,955,743	124,483

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 20,000		\$ 20,000	\$ 20,000	
Total Bilingual Education - Instruction	20,000		20,000	20,000	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	452,320	\$ 41	452,361	385,249	\$ 67,112
Purchased Services (300-500 series)	3,400		3,400	756	2,644
Supplies and Materials	68,325	(1,801)	66,524	47,975	18,549
Other Objects	32,000	7,101	39,101	29,715	9,386
Total School-Sponsored Cocurricular Activities - Instruction	556,045	5,341	561,386	463,695	97,691
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,112,842	(30,730)	1,082,112	1,015,405	66,707
Purchased Services (300-500 series)	334,610	(4,490)	330,120	309,916	20,204
Supplies and Materials	127,634	11,727	139,361	136,781	2,580
Other Objects	83,315	(15,164)	68,151	57,020	11,131
Total School-Sponsored Cocurricular Athletics - Instruction	1,658,401	(38,657)	1,619,744	1,519,122	100,622
Total Instruction	22,731,609	388,686	23,120,295	21,555,916	1,564,379

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 508,065	\$ (38,702)	\$ 469,363	\$ 375,365	\$ 93,998
Tuition to County Vocational Schools - Regular	899,838	(55,000)	844,838	720,954	123,884
Tuition to County Vocational Schools - Special	122,952	55,000	177,952	160,702	17,250
Tuition to County Special Services Schools and Regional Day Schools	786,660		786,660	558,417	228,243
Tuition to Private Schools for the Disabled - Within the State	822,046	34,000	856,046	753,177	102,869
Tuition to Private Schools for the Disabled and Other LEAs - Special - Outside the State	145,318	4,702	150,020	140,642	9,378
Tuition - Other	612,451		612,451	470,312	142,139
Total Undistributed Expenditures - Instruction	3,897,330		3,897,330	3,179,569	717,761
Attendance and Social Work Services:					
Salaries	50,419	158	50,577	50,577	
Purchased Professional and Technical Services	65,000	5,000	70,000	40,000	30,000
Total Attendance and Social Work Services	115,419	5,158	120,577	90,577	30,000
Health Services:					
Salaries	217,363	1,899	219,262	219,261	1
Other Purchased Services (400-500 series)	42,000	2,000	44,000	28,741	15,259
Supplies and Materials	5,954		5,954	2,696	3,258
Total Health Services	265,317	3,899	269,216	250,698	18,518

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Speech, OT, PT and Related Services:					
Salaries	\$ 80,800	\$ (68,680)	\$ 12,120	\$ 12,120	
Purchased Professional - Educational Services	85,334	1,950	87,284	70,271	\$ 17,013
Total Speech, OT, PT and Related Services	<u>166,134</u>	<u>(66,730)</u>	<u>99,404</u>	<u>82,391</u>	<u>17,013</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	101,938	(30,874)	71,064	43,024	28,040
Purchased Professional - Educational Services	452,218	(2,940)	449,278	366,097	83,181
Total Other Support Services - Students - Extraordinary Services	<u>554,156</u>	<u>(33,814)</u>	<u>520,342</u>	<u>409,121</u>	<u>111,221</u>
Guidance:					
Salaries of Other Professional Staff	1,459,518	2,288	1,461,806	1,441,600	20,206
Salaries of Secretarial and Clerical Assistants	233,701	3,753	237,454	237,454	
Other Purchased Services (400-500 series)	16,300		16,300	4,550	11,750
Supplies and Materials	10,163		10,163	3,611	6,552
Other Objects	35,700		35,700	29,881	5,819
Total Guidance	<u>1,755,382</u>	<u>6,041</u>	<u>1,761,423</u>	<u>1,717,096</u>	<u>44,327</u>

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 757,901	\$ (24,225)	\$ 733,676	\$ 723,824	\$ 9,852
Salaries of Secretarial and Clerical Assistants	121,566	390	121,956	121,956	
Purchased Professional - Educational Services	103,054	276	103,330	103,329	1
Supplies and Materials	12,850	795	13,645	11,610	2,035
Other Supplies	11,350	(276)	11,074	911	10,163
Total Child Study Teams	1,006,721	(23,040)	983,681	961,630	22,051
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,377,191	2,334	1,379,525	1,371,169	8,356
Salaries of Secretarial and Clerical Assistants	47,574	4,208	51,782	50,469	1,313
Salaries of Facilitators, Math & Literacy Coaches	84,296	279	84,575	8,250	76,325
Other Purchased Services (400-500 series)	47,573		47,573	17,606	29,967
Other Objects	13,648		13,648	13,307	341
Total Improvement of Instructional Services	1,570,282	6,821	1,577,103	1,460,801	116,302
Educational Media Services/School Library:					
Salaries	306,998	2,180	309,178	309,144	34
Purchased Professional and Technical Services	4,200		4,200	4,182	18
Supplies and Materials	58,320		58,320	56,020	2,300
Total Educational Media Services/School Library	369,518	2,180	371,698	369,346	2,352

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 179,777	\$ 4,338	\$ 184,115	\$ 184,115	
Salaries of Other Professional Staff	96,492		96,492	63,268	\$ 33,224
Salaries of Secretarial and Clerical Assistants	59,733	195	59,928	59,928	
Purchased Professional - Educational Services	83,794	7,575	91,369	85,204	6,165
Other Purchased Services (400-500 series)	67,110		67,110	32,242	34,868
Supplies and Materials	12,000	(2,030)	9,970	7,874	2,096
Other Objects	45,052		45,052	20,181	24,871
Total Instructional Staff Training Services	543,958	10,078	554,036	452,812	101,224
Support Services - General Administration:					
Salaries	466,160		478,383	478,383	
Legal Services	80,000	12,223	80,000	31,746	48,254
Audit Fees	50,000		50,000	42,440	7,560
Architectural/Engineering Services	115,000		115,000	32,209	82,791
Other Purchased Professional Services	3,500		3,500		3,500
Communications/Telephone	40,000	300	40,300	29,612	10,688
BOE Other Purchased Services	8,000	(5,000)	3,000	2,045	955
Miscellaneous Purchased Services (400-500 series)	103,500	(5,515)	97,985	77,511	20,474
General Supplies	10,000		10,000	3,010	6,990
Miscellaneous Expenditures	128,800	35,585	164,385	104,976	59,409
BOE Membership Dues and Fees	21,000		21,000	19,731	1,269
Total Support Services - General Administration	1,025,960	37,593	1,063,553	821,663	241,890

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 989,233	\$ 16,449	\$ 1,005,682	\$ 1,005,682	
Salaries of Secretarial and Clerical Assistants	306,061	4,358	310,419	310,419	
Other Purchased Services (400-500 series)	35,230		35,230	21,926	\$ 13,304
Supplies and Materials	19,500		19,500	6,830	12,670
Other Objects	1,050		1,050	400	650
Total Support Services - School Administration	1,351,074	20,807	1,371,881	1,345,257	26,624
Central Services:					
Salaries	580,451	11,848	592,299	575,930	16,369
Purchased Professional Services	16,600	12,000	28,600	28,158	442
Purchased Technical Services	25,000		25,000	11,490	13,510
Miscellaneous Purchased Services (400-500 series)	46,698	(3,420)	43,278	27,401	15,877
Supplies and Materials	10,000		10,000	5,557	4,443
Miscellaneous Expenditures	11,350		11,350	9,036	2,314
Total Central Services	690,099	20,428	710,527	657,572	52,955
Administration Information Technology:					
Salaries	364,655	(12,303)	352,352	345,190	7,162
Other Purchased Services (400-500 series)	17,625		17,625	8,775	8,850
Supplies and Materials	42,750	(4,039)	38,711	23,535	15,176
Total Administration Information Technology	425,030	(16,342)	408,688	377,500	31,188

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Required Maintenance for School Facilities:					
Salaries	\$ 548,326	\$ (3,518)	\$ 544,808	\$ 516,423	\$ 28,385
Cleaning, Repair and Maintenance Services	933,196	(88,591)	844,605	434,402	410,203
General Supplies	115,165	(2,690)	112,475	108,717	3,758
Total Required Maintenance for School Facilities	1,596,687	(94,799)	1,501,888	1,059,542	442,346
Custodial Services:					
Salaries	1,605,348	39,238	1,644,586	1,614,775	29,811
Purchased Professional and Technical Services	38,000		38,000	4,700	33,300
Cleaning, Repair and Maintenance Services	58,900	(5,000)	53,900	37,668	16,232
Rental of Land and Building	117,294	7,000	124,294	119,155	5,139
Other Purchased Property Services	57,500	2,913	60,413	54,414	5,999
Insurance	201,000	2,513	203,513	202,731	782
Miscellaneous Purchased Services	181,380	(13,500)	167,880	95,827	72,053
General Supplies	110,909	14,200	125,109	123,150	1,959
Energy (Natural Gas)	333,000	(500)	332,500	181,940	150,560
Energy (Electricity)	756,000	(17,827)	738,173	444,989	293,184
Other Objects	19,550	(750)	18,800	15,385	3,415
Total Custodial Services	3,478,881	28,287	3,507,168	2,894,734	612,434

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Care & Upkeep of Grounds:					
Salaries	\$ 60,280	236	\$ 60,516	\$ 60,464	\$ 52
Cleaning, Repair and Maintenance Services	119,160		119,160	92,580	26,580
General Supplies	29,200	(1,200)	28,000	22,604	5,396
Total Care & Upkeep of Grounds	208,640	(964)	207,676	175,648	32,028
Security:					
Purchased Professional and Technical Services	163,200	25,697	188,897	176,352	12,545
Cleaning, Repair and Maintenance Services	42,150	(27,925)	14,225	10,848	3,377
General Supplies	11,400	6,228	17,628	15,553	2,075
Total Security	216,750	4,000	220,750	202,753	17,997
Student Transportation Services:					
Salaries of Non-Instructional Aides	12,336	41	12,377	11,715	662
Salaries for Pupil Transportation:					
Between Home and School - Regular	66,757	364	67,121	67,121	
Cleaning, Repair and Maintenance Services	7,700		7,700	1,360	6,340
Contracted Services:					
Between Home and School - Vendors	586,256	(31,629)	554,627	524,433	30,194
Other Than Between Home and School - Vendors	388,775	(10,480)	378,295	357,879	20,416
Special Education Students - Joint Agreements	695,751		695,751	653,236	42,515
Aid in Lieu - Nonpublic Students	101,078	31,629	132,707	128,060	4,647
Transportation Supplies	213	(150)	63		63
Other Objects		750	750	750	
Total Student Transportation Services	1,858,866	(9,475)	1,849,391	1,744,554	104,837

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 628,853		\$ 628,853	\$ 596,689	\$ 32,164
Other Retirement Contributions - PERS	676,542		676,542	610,892	65,650
Other Retirement Contributions - Regular	10,000	1	10,001	5,628	4,373
Unemployment Compensation	20,000		20,000		20,000
Workmen's Compensation	219,605		219,605	161,963	57,642
Health Benefits	5,874,863		5,874,863	5,011,231	863,632
Tuition Reimbursement	50,000	246	50,246	50,028	218
Other Employee Benefits	164,084	(31,521)	132,563	114,252	18,311
Unused Sick Payment to Terminated/Retired Staff	80,000		80,000	48,778	31,222
Total Unallocated Benefits	<u>7,723,947</u>	<u>(31,274)</u>	<u>7,692,673</u>	<u>6,599,461</u>	<u>1,093,212</u>
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions				1,953,503	(1,953,503)
On-Behalf TPAF Pension Contributions				2,952,906	(2,952,906)
On-Behalf TPAF Non-Contributory Insurance				71,660	(71,660)
On-Behalf TPAF Long-Term Disability Insurance				3,618	(3,618)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,498,559	(1,498,559)
Total On-Behalf Contributions				<u>6,480,246</u>	<u>(6,480,246)</u>
Total Personal Services - Employee Benefits	<u>7,723,947</u>	<u>(31,274)</u>	<u>7,692,673</u>	<u>13,079,707</u>	<u>(5,387,034)</u>
Total Undistributed Expenses	<u>28,820,151</u>	<u>(131,146)</u>	<u>28,689,005</u>	<u>31,332,971</u>	<u>(2,643,966)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>51,551,760</u>	<u>257,540</u>	<u>51,809,300</u>	<u>52,888,887</u>	<u>(1,079,587)</u>

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 11,000	\$ 4,994	\$ 4,994	\$ 4,994	
School-Sponsored and Other Instructional Programs		2,999	13,999	13,999	
Undistributed Expenditures:					
Administrative Information Technology	170,800	37,009	37,009	37,009	
Required Maintenance for School Facilities	6,000	71,284	242,084	215,594	\$ 26,490
Custodial Services	40,000	24,707	64,707	4,918	1,082
Care and Upkeep of Grounds		32,280	32,280	28,866	3,414
Student Transportation - Non Instruction	227,800	173,273	401,073	370,087	30,986
Total Equipment					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	94,575	374,360	468,935	275,603	193,332
Construction Services	3,392,884	(374,360)	3,018,524	2,478,974	539,550
Assessment for Debt Service on SDA Funding	106,363		106,363	106,363	
Total Facilities Acquisition and Construction Services	3,593,822		3,593,822	2,860,940	732,882
TOTAL CAPITAL OUTLAY	3,821,622	173,273	3,994,895	3,231,027	763,868
TOTAL EXPENDITURES	55,373,382	430,813	55,804,195	56,119,914	(315,719)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,571,275)	(430,813)	(7,002,088)	251,888	7,253,976

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Operating Transfers In/(Out):					
Capital Projects Fund - Interest Earned				\$ 8,682	\$ 8,682
Operating Transfers Out:					
Transfer to Capital Projects Fund from Capital Outlay	\$ (1,115,563)		\$ (1,115,563)	(1,115,563)	
Total Other Financing Sources/(Uses)	(1,115,563)		(1,115,563)	(1,106,881)	8,682
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	(7,686,838)	\$ (430,813)	(8,117,651)	(854,993)	7,262,658
Fund Balance, July 1	16,108,521		16,108,521	16,108,521	
Fund Balance, June 30	\$ 8,421,683	\$ (430,813)	\$ 7,990,870	\$ 15,253,528	\$ 7,262,658

Recapitulation:

Restricted Fund Balance:	
Excess Surplus	\$ 2,250,000
Excess Surplus - Designated for Subsequent Year's Expenditures	2,490,593
Capital Reserve	6,729,082
Maintenance Reserve	1,203,750
Emergency Reserve	257,500
Assigned Fund Balance:	
Year-End Encumbrances	828,350
Designated for Subsequent Year's Expenditures	78,374
Unassigned Fund Balance	1,415,879
Fund Balance per Governmental Funds (Budgetary)	\$ 15,253,528

Reconciliation to Governmental Funds Statement (GAAP):

June State Aid Payments not Recognized on GAAP Basis	(63,229)
Fund Balance per Governmental Funds (GAAP)	\$ 15,190,299

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

(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 381,816	\$ 102,906	\$ 484,722	\$ 480,583	\$ (4,139)
State Sources	220,387	83,569	303,956	289,123	(14,833)
Local Sources		5,913	5,913		(5,913)
Total Revenues	602,203	192,388	794,591	769,706	(24,885)
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services	45,837	(42,837)	3,000	3,000	
Other Purchased Services (400-500 Series)	309,464	66,747	376,211	376,211	
General Supplies	7,446	24,387	31,833	31,114	719
Textbooks	16,508	3,432	19,940	19,336	604
Other Objects		1,425	1,425	825	600
Total Instruction	379,255	53,154	432,409	430,486	1,923
Support Services:					
Salaries	18,515	(7,544)	10,971	10,971	
Purchased Professional/Educational Services	185,513	116,236	301,749	284,700	17,049
Supplies and Materials	18,920	30,542	49,462	43,549	5,913
Total Support Services	222,948	139,234	362,182	339,220	22,962
Total Expenditures	602,203	192,388	794,591	769,706	24,885
Excess of Revenues Over Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 56,371,802	\$ 769,706
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Current Year Encumbrances		(2,460)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	32,067	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(63,229)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 56,340,640	\$ 767,246
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 56,119,914	\$ 769,706
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:		
Current Year Encumbrances		(2,460)
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 56,119,914	\$ 767,246

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

Budgets/Budgetary Control:

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

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

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Elementary and Secondary Education Act Title II, Part A	Title IV	IDEA Part B, Basic Regular	NJ Nonpublic Auxiliary Services (Chapter 192) Compensatory Education
REVENUE:				
Federal Sources	\$ 21,060	\$ 9,987	\$ 449,536	\$ 64,135
State Sources				
Total Revenue	21,060	9,987	449,536	64,135
EXPENDITURES:				
Instruction:				
Purchased Professional/Technical Services				
Other Purchased Services (400-500 Series)			376,211	
General Supplies		9,987		
Textbooks				
Other Objects				
Total Instruction		9,987	376,211	
Support Services:				
Salaries	10,971			
Purchased Professional/Educational Services	3,900		73,325	64,135
Supplies and Materials	6,189			
Total Support Services	21,060		73,325	64,135
Total Expenditures	\$ 21,060	\$ 9,987	\$ 449,536	\$ 64,135

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

		NJ Nonpublic			
		Auxiliary Services (Chapter 192)		Handicapped Services (Chapter 193)	
		Home Instruction	Security Aid	Supplementary Instruction	Examination and Classification
REVENUE:					
Federal Sources					
State Sources		1,414	\$ 36,450	\$ 44,564	\$ 46,785
Total Revenue		1,414	36,450	44,564	46,785
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services					
Other Purchased Services (400-500 Series)					
General Supplies					
Textbooks					
Other Objects					
Total Instruction					
Support Services:					
Salaries					
Purchased Professional/Educational Services		1,414		44,564	46,785
Supplies and Materials			36,450		
Total Support Services		1,414	36,450	44,564	46,785
Total Expenditures		1,414	\$ 36,450	\$ 44,564	\$ 46,785

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

	NJ Nonpublic			
	Handicapped Services (Chapter 193)	Nursing Services	Technology Initiative	Textbooks
REVENUE:				
Federal Sources				
State Sources	\$ 2,321	\$ 47,134	\$ 13,460	\$ 19,336
Total Revenue	2,321	47,134	13,460	19,336
EXPENDITURES:				
Instruction:				
Purchased Professional/Technical Services				
Other Purchased Services (400-500 Series)			13,460	
General Supplies				19,336
Textbooks				
Other Objects				
Total Instruction			13,460	19,336
Support Services:				
Salaries				
Purchased Professional/Educational Services	2,321	47,134		
Supplies and Materials				
Total Support Services	2,321	47,134		
Total Expenditures	\$ 2,321	\$ 47,134	\$ 13,460	\$ 19,336

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

	Robotics Grant	Totals June 30, 2018
REVENUE:		
Federal Sources		\$ 480,583
State Sources	13,524	289,123
Total Revenue	13,524	769,706
EXPENDITURES:		
Instruction:		
Purchased Professional/Technical Services	3,000	3,000
Other Purchased Services (400-500 Series)		376,211
General Supplies	7,667	31,114
Textbooks		19,336
Other Objects	825	825
Total Instruction	11,492	430,486
Support Services:		
Salaries		10,971
Purchased Professional/Educational Services	1,122	284,700
Supplies and Materials	910	43,549
Total Support Services	2,032	339,220
Total Expenditures	\$ 13,524	\$ 769,706

CAPITAL PROJECTS FUND

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

Revenue and Other Financing Sources:	
Transfer from Capital Outlay	\$ 1,115,563
Interest Revenue	8,682
Total Revenue and Other Financing Sources	<u>1,124,245</u>
Expenditures and Other Financing Uses:	
Construction Services	577,505
Transfers Out:	
General Fund - Interest Earned	8,682
Debt Service Fund - Fund Balance	60,194
Total Expenditures and Other Financing Uses	<u>646,381</u>
Excess/(Deficiency) of Revenue and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	477,864
Fund Balance - Beginning	<u>844,712</u>
Fund Balance - Ending	<u>\$ 1,322,576</u>
Recapitulation:	
Committed Fund Balance	<u>\$ 1,322,576</u>
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grant Revenue Not Recognized on the GAAP Basis	<u>(458,524)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 864,052</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCT AND EQUIP ADDITIONS AND RENOVATIONS TO BOTH HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Additional Project Information:

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
A WING HVAC CONTROLS UPGRADE AT PASCACK HILLS HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 37,023		\$ 37,023	\$ 37,023
Transfer from Capital Reserve	67,414		67,414	70,535
	<hr/>		<hr/>	<hr/>
Total Revenue and Other Financing Sources	104,437		104,437	107,558
	<hr/>		<hr/>	<hr/>
Expenditures:				
Legal Services	2,062		2,062	2,062
Purchased Professional and Technical Services	11,100		11,100	11,100
Construction Services	91,275		91,275	94,396
	<hr/>		<hr/>	<hr/>
Total Expenditures	104,437		104,437	107,558
	<hr/>		<hr/>	<hr/>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
 Additional Project Information:				
DOE Project Number(s)	3960-040-14-1001			
SDA Project Number(s)	3960-040-14-G1FR			
Grant Date	06/09/14			
Original Authorized Cost	\$ 92,558			
Change Orders	\$ 11,879			
Revised Authorized Cost	\$ 104,437			
Change Order Percentage	12.83%			
Percentage Completion	97.10%			
Original Target Completion Date	10/15/15			
Revised Target Completion Date	10/15/16			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
A WING WINDOW REPLACEMENT AT PASCACK HILLS HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Prior Periods	Transfers to Other Projects	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:					
State Sources - SDA Grant	\$ 284,376			\$ 284,376	\$ 284,376
Transfer from Capital Reserve	426,564	\$ (82,160)		344,404	344,404
Total Revenue and Other Financing Sources	710,940	(82,160)		628,780	628,780
Expenditures:					
Legal Services	969			969	2,500
Purchased Professional and Technical Services	38,600			38,600	72,640
Construction Services	297,083		\$ 182,505	479,588	553,640
Total Expenditures	336,652		182,505	519,157	628,780
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 374,288</u>	<u>\$ (82,160)</u>	<u>\$ (182,505)</u>	<u>\$ 109,623</u>	<u>\$ -0-</u>
 Additional Project Information:					
DOE Project Number(s)			3960-040-14-1002		
SDA Project Number(s)			3960-040-14-G1FS		
Grant Date			06/09/14		
Original Authorized Cost			\$ 710,940		
Change Orders			\$ -0-		
Revised Authorized Cost			\$ 710,940		
 Change Order Percentage			0.00%		
Percentage Completion			82.57%		
Original Target Completion Date			6/30/16		
Revised Target Completion Date			6/30/18		

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
D WING WINDOW REPLACEMENT AT PASCACK HILLS HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 184,753		\$ 184,753	\$ 221,400
Transfer from Capital Reserve	277,128		277,128	332,100
Total Revenue and Other Financing Sources	<u>461,881</u>		<u>461,881</u>	<u>553,500</u>
Expenditures:				
Legal Services	2,714		2,714	2,500
Purchased Professional and Technical Services	24,200		24,200	56,000
Construction Services	434,967		434,967	495,000
Total Expenditures	<u>461,881</u>		<u>461,881</u>	<u>553,500</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-040-14-1003
SDA Project Number(s)	3960-040-14-G1FT
Grant Date	06/09/14
Original Authorized Cost	\$ 553,500
Change Orders	\$ (91,619)
Revised Authorized Cost	\$ 461,881
Change Order Percentage	-16.55%
Percentage Completion	83.45%
Original Target Completion Date	10/31/15
Revised Target Completion Date	10/31/16

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
54-56 WING WINDOW REPLACEMENT AT PASCACK VALLEY HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 211,806		\$ 211,806	\$ 211,806
Transfer from Capital Reserve	317,709		317,709	317,709
Total Revenue and Other Financing Sources	<u>529,515</u>		<u>529,515</u>	<u>529,515</u>
Expenditures:				
Legal Services	533		533	2,500
Purchased Professional and Technical Services	33,976		33,976	53,465
Construction Services	456,731		456,731	473,550
Total Expenditures	<u>491,240</u>		<u>491,240</u>	<u>529,515</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 38,275</u>	<u>\$ -0-</u>	<u>\$ 38,275</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-050-14-1004
SDA Project Number(s)	3960-050-14-G1FU
Grant Date	06/09/14
Original Authorized Cost	\$ 529,515
Change Orders	\$ -0-
Revised Authorized Cost	\$ 529,515
Change Order Percentage	0.00%
Percentage Completion	92.77%
Original Target Completion Date	10/31/15
Revised Target Completion Date	10/31/18

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
72 WING WINDOW REPLACEMENT AT PASCACK VALLEY HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Transfers from Other Projects</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:					
State Sources - SDA Grant	\$ 158,838			\$ 158,838	\$ 158,838
Transfer from Capital Reserve	238,256	\$ 82,160		320,416	320,416
Total Revenue and Other Financing Sources	397,094	82,160		479,254	479,254
Expenditures:					
Legal Services	839			839	2,500
Purchased Professional and Technical Services	24,300			24,300	39,470
Construction Services			\$ 395,000	395,000	437,284
Total Expenditures	25,139		395,000	420,139	479,254
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures					
	<u>\$ 371,955</u>	<u>\$ 82,160</u>	<u>\$ (395,000)</u>	<u>\$ 59,115</u>	<u>\$ -0-</u>

Additional Project Information:

DOE Project Number(s)	3960-050-14-1005
SDA Project Number(s)	3960-050-14-G1FV
Grant Date	06/09/14
Original Authorized Cost	\$ 397,094
Change Orders	\$ -0-
Revised Authorized Cost	\$ 397,094
Change Order Percentage	0.00%
Percentage Completion	87.67%
Original Target Completion Date	6/30/16
Revised Target Completion Date	6/30/18

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
GIRL'S LOCKER ROOM AND CLASSROOM RENOVATION AT PASCACK VALLEY HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 956,648		\$ 956,648	\$ 956,648
Total Revenue and Other Financing Sources	956,648		956,648	956,648
Expenditures:				
Legal Services	1,943		1,943	1,943
Purchased Professional and Technical Services	60,112		60,112	60,112
Construction Services	894,593		894,593	894,593
Total Expenditures	956,648		956,648	956,648
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Number(s)	3960-050-14-2000
Grant Date	06/09/14
Original Authorized Cost	\$ 1,060,828
Change Orders	\$ (104,180)
Revised Authorized Cost	\$ 956,648
Change Order Percentage	-9.82%
Percentage Completion	100.00%
Original Target Completion Date	11/15/15
Revised Target Completion Date	11/15/16

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
MUSIC RENOVATION AT PASCACK HILLS HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 1,115,563	\$ 1,115,563	\$ 1,115,563
Total Revenue and Other Financing Sources		1,115,563	1,115,563	1,115,563
Expenditures:				
Construction Services				1,115,563
Total Expenditures				1,115,563
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 1,115,563	\$ 1,115,563	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 1,115,563			
Change Orders				
Revised Authorized Cost	\$ 1,115,563			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/19			

PROPRIETARY FUNDS

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ENTERPRISE FUND
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2018

	Non-Major Funds				Major Funds			Enterprise Fund Totals
	Food Service	Transportation	Milestone Program	Total	Region II Transportation	Park Academy	Total	
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 989	\$ 13,107		\$ 14,096		\$ 458,707	\$ 458,707	\$ 472,803
Accounts Receivable:								
Intergovernmental - Other		2,360	\$ 485	2,845	\$ 1,210,347	88,475	1,298,822	1,301,667
Other	16,769			16,769				16,769
Inventories	7,771			7,771				7,771
Total Current Assets	25,529	15,467	485	41,481	1,210,347	547,182	1,757,529	1,799,010
Non-Current Assets:								
Capital Assets	233,630			233,630				233,630
Less: Accumulated Depreciation	(159,659)			(159,659)				(159,659)
Total Non-Current Assets	73,971			73,971				73,971
Total Assets	99,500	15,467	485	115,452	1,210,347	547,182	1,757,529	1,872,981
DEFERRED OUTFLOWS OF RESOURCES								
Changes in Assumptions - Pensions			49,176	49,176	131,815	69,112	200,927	250,103
Difference between Expected and Actual Experience - Pensions			5,747	5,747	15,406	8,078	23,484	29,231
Net Difference between projected and actual investment earnings on Pension Plan Investments			1,662	1,662	4,455	2,336	6,791	8,453
Changes in Proportions - Pensions			11,003	11,003	29,494	15,464	44,958	55,961
District Contribution Subsequent to the Measurement Date - Pensions			11,225	11,225	30,089	15,776	45,865	57,090
Total Deferred Outflows of Resources			78,813	78,813	211,259	110,766	322,025	400,838
LIABILITIES								
Current Liabilities:								
Interfund Payable - General Fund			89,813	89,813	1,105,853	12,000	1,117,853	1,207,666
Accounts Payable - Vendors					53,272	1,206	54,478	54,478
Accounts Payable - State			11,225	11,225	30,089	15,776	45,865	57,090
Unearned Revenue	14,882	15,467		30,349	11,624		11,624	41,973
Noncurrent Liabilities:								
Net Pension Liability			244,093	244,093	654,283	343,047	997,330	1,241,423
Total Liabilities	14,882	15,467	345,131	375,480	1,855,121	372,029	2,227,150	2,602,630
DEFERRED INFLOWS OF RESOURCES								
Changes in Assumptions - Pensions			48,996	48,996	131,332	68,859	200,191	249,187
Total Deferred Inflows of Resources			48,996	48,996	131,332	68,859	200,191	249,187
NET POSITION								
Investment in Capital Assets	73,971			73,971				73,971
Unrestricted/(Deficit)	10,647		(314,829)	(304,182)	(564,847)	217,060	(347,787)	(651,969)
Total Net Position/(Deficit)	\$ 84,618	\$ -0-	\$ (314,829)	\$ (230,211)	\$ (564,847)	\$ 217,060	\$ (347,787)	\$ (577,998)

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

	Non-Major Funds				Major Funds			Enterprise Fund Totals
	Region II	Transportation		Milestone Program	Region II Transportation	Park Academy	Totals	
	Summer School							
Operating Revenue:								
Charges for Services:								
Daily Sales - Non-Reimbursable Programs	\$ 851,223				\$ 851,223			\$ 851,223
Special Events	1,320				1,320			1,320
Free Lunch Subsidized Charges and Fees	26,582	\$ 53,963	\$ 99,845	\$ 234,605	388,413	\$ 734,455	\$ 5,834,862	6,223,275
Total Operating Revenue	879,125	53,963	99,845	234,605	1,267,538	734,455	5,834,862	7,102,400
Operating Expenses:								
Cost of Sales - Non-Reimbursable Programs	417,059				417,059			417,059
Salaries	321,535	46,282		227,944	595,761	582,959	1,884,525	2,480,286
Employee Benefits	19,510	3,541		284,233	307,284	205,574	208,978	516,262
Purchased Services	99,625	3,500	99,845	996	203,966	17,064	821,759	1,025,725
Contracted Services						1,444	2,737,256	2,737,256
Supplies and Materials	38,129	640		15,261	54,030	1,130	4,375	58,405
Depreciation Expense	4,058			21,000	4,058	60,000	60,000	81,000
Rent					21,000	8,482	9,749	9,749
Miscellaneous						1,267		
Total Operating Expenses	899,916	53,963	99,845	549,434	1,603,158	876,653	5,726,642	7,329,800
Operating Income/(Loss)	(20,791)			(314,829)	(335,620)	(142,198)	108,220	(227,400)
Non-Operating Revenue:								
Interest Revenue	625				625			625
Total Non-Operating Revenue	625				625			625
Change Before Other Item	(20,166)			(314,829)	(334,995)	(142,198)	108,220	(226,775)
Cancellation of Interfund Payable	247,000				247,000			247,000
Change in Net Position After Other Item	226,834			(314,829)	(87,995)	(142,198)	108,220	20,225
Net Position/(Deficit) - Beginning of Year - Restated	(142,216)				(142,216)	(815,265)	(456,007)	(598,223)
Net Position/(Deficit) - End of Year	\$ 84,618	\$ -	\$ -	\$ (314,829)	\$ (230,211)	\$ (564,847)	\$ (347,787)	\$ (577,998)

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUND
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Non-Major Funds					Major Fund					Enterprise Fund Totals	
	Region II Summer School		Milestone Program		Totals	Region II Transportation		Park Academy	Totals			
	Food Service		Transportation			Transportation						
Cash Flows from Operating Activities:												
Receipts from Customers	\$ 841,000	\$ 53,963	\$ 125,322	\$ 234,120	\$ 1,254,405	\$ 4,880,078	\$ 658,880	\$ 5,538,958	\$ 6,793,363			
Receipts from District	26,582				26,582				26,582			
Payments to Employees	(46,282)	(46,282)		(227,944)	(274,226)	(1,554,345)	(582,959)	(2,137,304)	(2,411,530)			
Payments for Employee Benefits	(3,541)	(3,541)		(58,732)	(62,273)	(3,404)	(174,399)	(177,803)	(240,076)			
Payments for Services	(3,500)	(3,500)	(99,845)	(996)	(104,341)	(3,542,551)	(7,329)	(3,549,880)	(3,654,221)			
Payments for Rent	(908,967)			(21,000)	(908,967)		(60,000)	(60,000)	(81,000)			
Payments to Food Service Vendor	(6,294)	(640)		(15,261)	(22,195)	(4,512)	(9,612)	(14,124)	(908,967)			
Payments to Suppliers	(47,679)		25,477	(89,813)	(112,015)	(224,734)	(175,419)	(400,153)	(36,319)			
Net Cash Provided by/(Used for) Operating Activities	625				625				625			
Cash Flows from Investing Activities:												
Interest Income	625				625				625			
Net Cash Provided by Investing Activities	625				625				625			
Cash Flows from Noncapital Financing Activities:												
Interfund Payable - General Fund			(12,370)	89,813	77,443	1,105,853	(1,415)	(882,534)	1,105,853			
Interfund Receivable - General Fund			(12,370)	89,813	77,443	224,734	(1,415)	(882,534)	(805,091)			
Net Cash Provided by/(Used for) Noncapital Financing Activities									300,762			
Cash Flows from Capital and Related Financing Activities:												
Purchase of Capital Assets	(8,481)				(8,481)				(8,481)			
Net Cash Used for Capital and Related Financing Activities	(8,481)				(8,481)				(8,481)			
Net Increase/(Decrease) in Cash and Cash Equivalents	(55,535)		13,107		(42,428)	(176,834)			(219,262)			
Cash and Cash Equivalents, July 1	56,524				56,524		635,541		692,065			
Cash and Cash Equivalents, June 30	\$ 989	\$ -0-	\$ 13,107	\$ -0-	\$ 14,096	\$ -0-	\$ 458,707	\$ 458,707	\$ 472,803			
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	\$ (20,791)	\$ -0-	\$ -0-	\$ (314,829)	\$ (335,620)	\$ 250,418	\$ (142,198)	\$ 108,220	\$ (227,400)			
Operating Income/(Loss)	4,058				4,058				4,058			
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:												
Depreciation	(16,302)		25,477	(485)	(942)	(203,336)	(75,575)	(270,911)	(270,221)			
Changes in Assets and Liabilities:	(942)				(942)				(942)			
(Increase)/Decrease in Accounts Receivable				(180)	(180)							
(Increase) in Inventory				(5,747)	(5,747)							
(Increase)/Decrease in Change in Assumptions				(1,662)	(1,662)							
(Increase)/Decrease in Difference between Expected and Actual Experience				(11,003)	(11,003)							
Increase/(Decrease) in Investment Gains - Pensions				244,093	244,093	(561,092)	(62,078)	(623,170)	(379,077)			
Increase/(Decrease) in Pension Liability				(18,461)	(18,461)	(2,044)	11,179	(9,326)	(9,326)			
Increase/(Decrease) in Accounts Payable				4,759	4,759	(16,993)		(16,993)	(12,234)			
Increase/(Decrease) in Unearned Revenue												
Net Cash Provided by/(Used for) Operating Activities	\$ (47,679)	\$ -0-	\$ 25,477	\$ (89,813)	\$ (112,015)	\$ (224,734)	\$ (175,419)	\$ (400,153)	\$ (512,168)			

FIDUCIARY FUNDS

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Agency			Total	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	Student Activity	Payroll	E-Learning				
ASSETS							
Cash and Cash Equivalents	\$ 334,507	\$ 271,834	\$ 148,484	\$ 754,825	\$ 109,137	\$ 22,091	\$ 296,354
Other Receivables						\$ 22,091	
Total Assets	334,507	271,834	148,484	754,825	109,137	22,091	296,354
LIABILITIES							
Interfund Payable:							
General Fund		47,387		47,387			
Payroll Deductions and Withholdings		224,447		224,447			
Due to Student Groups	334,507			334,507			
E-Learning			148,484	148,484			
Total Liabilities	334,507	271,834	148,484	754,825			
NET POSITION							
Held in Trust for:							
Unemployment Claims					109,137		
Flexible Spending Claims						22,091	
Restricted for Scholarships							296,354
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 109,137	\$ 22,091	\$ 296,354

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

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS:			
Contributions:			
Plan Member	\$ 46,931	\$ 46,308	
Other			\$ 44,590
	<u>46,931</u>	<u>46,308</u>	<u>44,590</u>
Total Contributions	<u>46,931</u>	<u>46,308</u>	<u>44,590</u>
Investment Earnings:			
Interest	534		
	<u>534</u>		
Net Investment Earnings	<u>534</u>		
	<u>47,465</u>	<u>46,308</u>	<u>44,590</u>
Total Additions	<u>47,465</u>	<u>46,308</u>	<u>44,590</u>
DEDUCTIONS:			
Quarterly Contribution Reports	35,653		
Flexible Spending Claims		29,824	
Scholarships Awarded			14,450
	<u>35,653</u>	<u>29,824</u>	<u>14,450</u>
Total Deductions	<u>35,653</u>	<u>29,824</u>	<u>14,450</u>
Change in Net Position	11,812	16,484	30,140
Net Position - Beginning of the Year	<u>97,325</u>	<u>5,607</u>	<u>266,214</u>
Net Position - End of the Year	<u>\$ 109,137</u>	<u>\$ 22,091</u>	<u>\$ 296,354</u>

PASCACK 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>
ASSETS:				
Cash and Cash Equivalents	\$ 353,666	\$ 1,073,319	\$ 1,092,478	\$ 334,507
Investments	40,753		40,753	
Total Assets	<u>\$ 394,419</u>	<u>\$ 1,073,319</u>	<u>\$ 1,133,231</u>	<u>\$ 334,507</u>
LIABILITIES:				
Due to Student Groups	<u>\$ 394,419</u>	<u>\$ 1,073,319</u>	<u>\$ 1,133,231</u>	<u>\$ 334,507</u>
Total Liabilities	<u>\$ 394,419</u>	<u>\$ 1,073,319</u>	<u>\$ 1,133,231</u>	<u>\$ 334,507</u>

PASCACK 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>
High Schools:				
Pascack Hills Activities	\$ 167,428	\$ 450,404	\$ 476,665	\$ 141,167
Pascack Hills Athletics	90	71,476	70,113	1,453
Pascack Valley Activities	222,791	467,893	508,892	181,792
Pascack Valley Athletics	4,110	83,546	77,561	10,095
Total All Schools	<u>\$ 394,419</u>	<u>\$ 1,073,319</u>	<u>\$ 1,133,231</u>	<u>\$ 334,507</u>

PASCACK 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>
ASSETS:				
Cash and Cash Equivalents	\$ 93,135	\$34,948,989	\$34,770,290	\$ 271,834
Total Assets	<u>\$ 93,135</u>	<u>\$34,948,989</u>	<u>\$34,770,290</u>	<u>\$ 271,834</u>
LIABILITIES:				
Interfund Payable:				
General Fund	\$ 18,009	\$ 30,477	\$ 1,100	\$ 47,386
Payroll Deductions and Withholdings	<u>75,126</u>	<u>34,918,512</u>	<u>34,769,190</u>	<u>224,448</u>
Total Liabilities	<u>\$ 93,135</u>	<u>\$34,948,989</u>	<u>\$34,770,290</u>	<u>\$ 271,834</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
PROFESSIONAL DEVELOPMENT COSTS 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>
ASSETS:				
Cash and Cash Equivalents	\$ 28		\$ 28	
Total Assets	<u>\$ 28</u>	<u>\$ -0-</u>	<u>\$ 28</u>	<u>\$ -0-</u>
LIABILITIES:				
Interfund Payable	\$ 28		\$ 28	
Total Liabilities	<u>\$ 28</u>	<u>\$ -0-</u>	<u>\$ 28</u>	<u>\$ -0-</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
E-LEARNING 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>
ASSETS:				
Cash and Cash Equivalents	\$ 162,354	\$ 131,868	\$ 145,738	\$ 148,484
Total Assets	<u>\$ 162,354</u>	<u>\$ 131,868</u>	<u>\$ 145,738</u>	<u>\$ 148,484</u>
LIABILITIES:				
E-Learning Costs	\$ 162,354	\$ 131,868	145,738	\$ 148,484
Total Liabilities	<u>\$ 162,354</u>	<u>\$ 131,868</u>	<u>\$ 145,738</u>	<u>\$ 148,484</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2017	Retired/Matured	Balance June 30, 2018
			Date	Amount				
School Refunding Bonds	11/01/12	\$ 8,710,000	08/15/18	\$ 1,350,000	3.000%			
			08/15/19	1,400,000	3.000%			
			08/15/20	1,450,000	3.000%			
			08/15/21	1,505,000	3.000%			
			08/15/22	1,565,000	3.000%	\$ 8,575,000	\$ 1,305,000	\$ 7,270,000
School Refunding Bonds	02/26/13	12,335,000	08/15/23	1,650,000	4.000%			
			08/15/24	1,720,000	4.000%			
			08/15/25	1,805,000	4.000%			
			08/15/26	1,880,000	4.000%			
			08/15/27	1,965,000	4.000%			
			08/15/28	2,050,000	4.000%	11,070,000		11,070,000
						\$ 19,645,000	\$ 1,305,000	\$ 18,340,000

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOT APPLICABLE

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,925,281		\$ 1,925,281	\$ 1,925,281	
Total Revenues	1,925,281		1,925,281	1,925,281	
EXPENDITURES:					
Regular Debt Service:					
Interest	680,475		680,475	680,475	
Redemption of Principal	1,305,000		1,305,000	1,305,000	
Total Regular Debt Service	1,985,475		1,985,475	1,985,475	
Total Expenditures	1,985,475		1,985,475	1,985,475	
Excess of Revenues Over Expenditures	(60,194)		(60,194)	(60,194)	
Other Financing Sources/(Uses):					
Transfers In:					
Capital Projects Fund	60,194		60,194	60,194	
Total Other Financing Sources/(Uses)	60,194		60,194	60,194	
Excess/(Deficit) of Revenues Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1					
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

	June 30,				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net Investment in Capital Assets	\$ 35,749,562	\$ 38,756,146	\$ 29,831,999	\$ 28,083,149	\$ 36,594,195
Restricted	7,800,979	10,050,676	10,492,732	11,503,268	12,930,925
Unrestricted/(Deficit)	<u>(7,785,001)</u>	<u>(10,748,778)</u>	<u>(10,264,434)</u>	<u>(9,633,487)</u>	<u>(12,064,619)</u>
Total Governmental Activities Net Position	<u>\$ 35,765,540</u>	<u>\$ 38,058,044</u>	<u>\$ 30,060,297</u>	<u>\$ 29,952,930</u>	<u>\$ 37,460,501</u>
Business-type Activities:					
Investment in Capital Assets	\$ 12,083	\$ 87,137	\$ 82,105	\$ 87,428	\$ 73,971
Unrestricted/(Deficit)	<u>(537,074)</u>	<u>(820,269)</u>	<u>(634,958)</u>	<u>(709,730)</u>	<u>(651,969)</u>
Total Business-Type Activities Net Position/(Deficit)	<u>\$ (524,991)</u>	<u>\$ (733,132)</u>	<u>\$ (552,853)</u>	<u>\$ (622,302)</u>	<u>\$ (577,998)</u>
District-wide:					
Net Investment in Capital Assets	\$ 35,761,645	\$ 38,843,283	\$ 29,914,104	\$ 28,170,577	\$ 36,668,166
Restricted	7,800,979	10,050,676	10,492,732	11,503,268	12,930,925
Unrestricted/(Deficit)	<u>(8,322,075)</u>	<u>(11,569,047)</u>	<u>(10,899,392)</u>	<u>(10,343,217)</u>	<u>(12,716,588)</u>
Total District Net Position	<u>\$ 35,240,549</u>	<u>\$ 37,324,912</u>	<u>\$ 29,507,444</u>	<u>\$ 29,330,628</u>	<u>\$ 36,882,503</u>
	June 30,				
	2009	2010	2011	2012	2013
Governmental Activities:					
Net Investment in Capital Assets	\$ 23,942,595	\$ 26,719,872	\$ 27,392,740	\$ 31,826,247	\$ 33,003,506
Restricted	3,100,957	4,266,055	2,040,357	4,511,565	7,110,322
Unrestricted/(Deficit)	<u>16,372</u>	<u>(881,857)</u>	<u>3,701,558</u>	<u>2,162,768</u>	<u>1,359,174</u>
Total Governmental Activities Net Position	<u>\$ 27,059,924</u>	<u>\$ 30,104,070</u>	<u>\$ 33,134,655</u>	<u>\$ 38,500,580</u>	<u>\$ 41,473,002</u>
Business-type Activities:					
Investment in Capital Assets	\$ 20,349	\$ 18,546	\$ 18,900	\$ 16,367	\$ 14,225
Unrestricted	<u>72,340</u>	<u>100,161</u>	<u>143,722</u>	<u>285,277</u>	<u>423,016</u>
Total Business-Type Activities Net Position	<u>\$ 92,689</u>	<u>\$ 118,707</u>	<u>\$ 162,622</u>	<u>\$ 301,644</u>	<u>\$ 437,241</u>
District-wide:					
Net Investment in Capital Assets	\$ 23,962,944	\$ 26,738,418	\$ 27,411,640	\$ 31,842,614	\$ 33,017,731
Restricted	3,100,957	4,266,055	2,040,357	4,511,565	7,110,322
Unrestricted/(Deficit)	<u>88,712</u>	<u>(781,696)</u>	<u>3,845,280</u>	<u>2,448,045</u>	<u>1,782,190</u>
Total District Net Position	<u>\$ 27,152,613</u>	<u>\$ 30,222,777</u>	<u>\$ 33,297,277</u>	<u>\$ 38,802,224</u>	<u>\$ 41,910,243</u>

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 17,799,822	\$ 18,662,942	\$ 18,522,299	\$ 17,368,051	\$ 20,558,959	\$ 17,413,349	\$ 22,153,918	\$ 24,083,408	\$ 27,647,329	\$ 28,845,263
Special Education	2,499,184	2,789,331	3,620,154	3,621,058	3,436,296	3,610,323	4,337,466	4,734,414	5,381,126	5,637,714
Other Special Instruction	635	2,242					20,467	11,870	15,290	16,113
Other Instruction	1,776,634	1,909,687	2,215,217	2,331,477	2,428,660	2,425,827	2,690,357	2,815,096	3,150,367	3,100,379
Support Services:										
Tuition	2,363,094	2,413,892	2,063,727	1,973,523	2,303,026	2,438,356	2,566,495	2,675,799	2,996,164	3,179,569
Student & Instruction Related Services	6,357,319	6,301,186	6,726,057	6,538,289	7,136,392	7,433,012	8,071,758	8,477,083	9,522,818	9,781,094
General Administrative Services	891,731	914,052	835,620	1,128,278	969,838	891,617	1,109,752	1,162,045	1,284,224	1,207,304
School Administrative Services	1,513,852	1,734,721	1,683,322	1,736,237	1,701,922	1,768,137	1,851,421	1,968,372	2,139,765	2,405,540
Central Services	557,092	621,175	570,202	688,662	732,019	737,628	923,446	1,204,022	1,113,406	1,119,237
Administration Information Technology	354,603	359,340	429,278	740,536	606,281	648,873	665,291	712,352	799,177	772,364
Plant Operations and Maintenance	3,821,228	3,923,799	3,703,306	4,195,624	4,870,496	4,555,728	5,856,064	5,213,221	5,761,088	6,220,622
Pupil Transportation	1,624,356	1,813,479	1,663,499	1,643,515	1,653,207	1,604,132	1,771,462	1,673,964	1,830,454	1,808,059
Interest on Long-term Debt	1,125,599	1,089,086	1,070,182	1,036,136	1,145,348	771,338	771,332	724,279	685,675	646,415
Capital Outlay	435,502	89,905	28,110	321,435	320,817	802,498	813,635	3,800,000	2,335	278,534
Unallocated Depreciation		109,616	1,163,238				802,498	8,667,419	3,846,995	3,192,657
Disposal of Capital Assets										
Total Governmental Activities Expenses	41,120,651	42,624,837	43,130,973	43,001,386	47,863,261	45,100,818	54,405,362	67,923,344	66,176,213	68,210,864
Business-type Activities:										
Food Service	820,000	861,055	891,012	945,980	944,770	1,006,835	965,990	911,442	907,120	899,916
Park Academy				650,376	661,405	728,124	585,055	735,147	817,985	876,653
Region II Transportation	5,958,156	5,891,856	4,439,850	3,833,892	3,731,661	3,738,667	3,972,383	4,644,105	5,066,863	4,849,989
Region II Administration	470,569	512,514	570,032	471,231	485,210	479,069	531,632			
Region II Summer School	40,334	41,314	29,539	29,192	30,446	28,921	34,883	36,367	40,916	53,963
Milestone Program										
Transportation	162,987	137,333	126,769	125,094	117,538	119,706	101,648	100,033	101,996	99,845
Total Business-type Activities Expenses	7,452,046	7,444,072	6,057,202	6,055,765	5,971,030	6,101,322	6,191,591	6,427,094	6,934,880	7,329,800

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Total District Expenses	\$ 48,572,697	\$ 50,068,909	\$ 49,188,175	\$ 49,057,151	\$ 53,834,291	\$ 51,202,140	\$ 60,596,953	\$ 74,350,438	\$ 73,111,093	\$ 75,540,664
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	153,035	121,063	295,888	322,372	514,615	523,008	477,831	630,780	966,246	1,255,489
Operating Grants and Contributions	4,891,308	4,741,047	3,995,540	5,161,539	5,928,996	5,454,526	10,542,252	12,509,362	16,752,380	17,673,718
Capital Grants and Contributions		612,872	816,410	195,059	616,766		276,215	181,124		175,315
Total Governmental Activities Program Revenues	5,044,343	5,474,982	5,107,838	5,678,970	7,060,377	5,977,534	11,296,298	13,321,266	17,718,626	19,104,522
Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	835,609	887,330	933,755	942,051	924,405	956,330	826,567	863,292	858,138	879,125
Park Academy				646,201	816,438	760,663	524,781	939,902	958,900	734,455
Region II Transportation	5,958,156	5,891,856	4,435,596	3,831,849	3,731,661	3,738,667	3,972,383	4,667,464	4,890,331	5,100,407
Region II Administration	470,569	512,514	574,286	473,274	485,210	479,069	522,952			
Region II Summer School	40,334	41,314	29,539	29,192	30,446	28,921	34,883	36,367	40,916	53,963
Milestone Program										234,605
Transportation	163,896	136,424	126,769	125,094	117,538	119,706	101,648	100,033	101,996	99,845
Total Business-Type Activities Revenues	7,468,564	7,469,438	6,099,945	6,047,661	6,105,698	6,083,356	5,983,214	6,607,058	6,850,281	7,102,400
Total District Program Revenues	12,512,907	12,944,420	11,207,783	11,726,631	13,166,075	12,060,890	17,279,512	19,928,324	24,568,907	26,206,922
Net (Expense)/Revenue										
Governmental Activities	(36,076,308)	(37,149,855)	(38,023,135)	(37,322,416)	(40,802,884)	(39,123,284)	(43,109,064)	(54,602,078)	(48,457,587)	(49,106,342)
Business-Type Activities	16,518	25,366	42,743	(8,104)	134,668	(17,966)	(208,377)	179,964	(84,599)	(227,400)
Total District-Wide Net (Expense)/Revenue	(36,059,790)	(37,124,489)	(37,980,392)	(37,330,520)	(40,668,216)	(39,141,250)	(43,317,441)	(54,422,114)	(48,542,186)	(49,333,742)

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 36,442,436	\$ 37,896,490	\$ 39,995,215	\$ 40,699,097	\$ 41,513,079	\$ 42,343,341	\$ 43,190,207	\$ 44,403,138	\$ 45,910,355	\$ 46,828,562
Taxes Levied for Debt Service	1,988,652	1,993,464	1,990,196	2,009,376	2,029,152	1,949,124	1,961,788	1,915,010	1,973,875	1,925,281
Unrestricted Grants and Contributions	285,576	161,664	12,938		28,883	31,466	31,308	31,308		
Investment Earnings	82,974	51,356		21,787	36,246	35,002	17,128		35,828	35,828
Miscellaneous Income	8,707	217,222	218,609	279,516	167,946	192,711	201,137	254,875	430,162	198,619
Cancellation of Prior Year Accounts Payable		(16,579)								
Cancellation of SDA Grant Receivable	(295,726)									
Total Governmental Activities	38,512,619	40,303,617	42,216,958	43,009,776	43,775,306	44,551,644	45,401,568	46,604,331	48,350,220	48,988,290
Business-Type Activities:										
Investment Earnings	807	652	1,172	799	929	841	236	315	298	625
Cancellation of Prior Year Accounts Payable										247,000
Transfers				146,327						
Total Business-Type Activities	807	652	1,172	799	929	841	236	315	298	247,625
Total District-Wide	38,513,426	40,304,269	42,216,958	43,156,902	43,776,235	44,552,485	45,401,804	46,604,646	48,350,518	49,235,915
Change in Net Position										
Governmental Activities	2,436,311	3,153,762	4,193,823	5,687,360	2,972,422	5,428,360	2,292,504	(7,997,747)	(107,367)	(118,052)
Business-Type Activities	17,325	26,018	42,743	139,022	135,597	(17,125)	(208,141)	180,279	(84,301)	20,225
Total District	\$ 2,453,636	\$ 3,179,780	\$ 4,236,566	\$ 5,826,382	\$ 3,108,019	\$ 5,411,235	\$ 2,084,363	\$ (7,817,468)	\$ (191,668)	\$ (97,827)

Source: School District Financial Reports.

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

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Reserved/Restricted	\$ 3,539,914	\$ 3,628,582	\$ 1,955,530	\$ 4,431,163	\$ 6,978,406	\$ 7,689,270	\$ 9,938,967	\$ 10,432,538	\$ 11,443,074	\$ 12,930,925
Assigned			2,456,715	1,194,532	1,171,022	1,087,016	419,303	1,261,999	3,295,375	906,724
Unassigned			1,099,326	1,062,976	1,088,577	1,070,041	1,181,938	1,190,128	1,338,005	1,352,650
Unreserved	1,324,433	1,318,773								
Total General Fund	\$ 4,864,347	\$ 4,947,355	\$ 5,511,571	\$ 6,688,671	\$ 9,238,005	\$ 9,846,327	\$ 11,540,208	\$ 12,884,665	\$ 16,076,454	\$ 15,190,299
All Other Governmental Funds:										
Reserved/Restricted:										
Capital Projects Fund	\$ 22,251	\$ 80,401	\$ 80,401	\$ 80,401	\$ 80,401	\$ 60,194	\$ 60,194	\$ 60,194	\$ 60,194	\$ 60,194
Debt Service Fund		4,426		1	51,515	51,515	51,515			
Committed:										
Capital Projects Fund		1,344,612		1,074,741	540,573	2,626,606	421,913	318,737	150,678	864,052
Unreserved/(Deficit), Reported in:										
Capital Projects Fund	\$ (455,638)	(194,002)								
Debt Service Fund	16,681	21,107								
Total All Other Governmental Funds	\$ (438,957)	\$ (150,644)	\$ 1,429,439	\$ 1,155,143	\$ 672,489	\$ 2,738,315	\$ 533,622	\$ 378,931	\$ 210,872	\$ 864,052
Total Governmental Funds:										
Reserved/Restricted	\$ 3,539,914	\$ 3,628,582	\$ 1,955,530	\$ 4,431,163	\$ 7,058,807	\$ 7,800,979	\$ 10,050,676	\$ 10,492,732	\$ 11,503,268	\$ 12,930,925
Committed						2,626,606	421,913	318,737	150,678	864,052
Assigned						1,087,016	419,303	1,261,999	3,295,375	906,724
Unassigned						1,070,041	1,181,938	1,190,128	1,338,005	1,352,650
Unreserved	1,341,114	1,339,880								
Total Governmental Funds	\$ 4,881,028	\$ 4,968,462	\$ 1,955,530	\$ 4,431,163	\$ 7,058,807	\$ 12,584,642	\$ 12,073,830	\$ 13,263,596	\$ 16,287,326	\$ 16,054,351

Source: School District Financial Reports.

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

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 38,431,088	\$ 39,889,954	\$ 41,985,411	\$ 42,708,473	\$ 43,542,231	\$ 44,292,465	\$ 45,151,995	\$ 46,318,148	\$ 47,884,230	\$ 48,753,843
Tuition Charges	153,035	121,063	295,888	322,372	514,615	523,008	477,831	630,780	966,246	1,255,489
Interest Earnings	286,672	82,974		21,787	36,246	35,002	19,571	13,137		
Miscellaneous	83,167	8,707	218,609	279,516	168,446	192,883	201,137	249,375	445,528	198,619
State Sources	4,655,441	4,880,911	3,752,696	4,504,179	6,073,118	4,977,616	5,915,362	6,567,476	7,268,540	8,531,090
Federal Sources	521,443	634,672	1,072,192	852,419	501,027	508,204	557,103	516,918	546,584	478,123
Total Revenues	44,130,846	45,618,281	47,324,796	48,688,746	50,835,683	50,529,178	52,322,999	54,295,834	57,111,128	59,217,164
Expenditures										
Instruction:										
Regular Instruction	13,637,196	14,019,761	14,416,575	14,333,194	14,142,908	14,676,557	15,744,893	16,319,697	15,704,881	16,915,066
Special Education Instruction	1,838,882	2,003,618	2,869,948	2,843,148	2,615,280	2,744,073	2,954,641	3,205,945	3,405,001	3,405,279
Other Special Instruction	635									
Other Instruction	1,521,626	1,616,780	1,769,748	1,860,630	1,870,262	1,944,375	1,958,522	1,949,168	1,983,028	2,002,817
Support Services:										
Tuition	2,363,094	2,413,892	2,063,727	1,973,523	2,303,026	2,438,356	2,566,495	2,675,799	2,996,164	3,179,569
Student & Instruction Related Services	5,287,961	5,291,708	5,168,587	5,006,271	5,369,768	5,739,316	5,677,900	5,488,597	5,727,173	5,794,472
General Administrative Services	817,930	790,919	762,557	833,063	813,090	755,350	871,596	886,713	915,913	821,663
School Administrative Services	1,122,454	1,386,710	1,250,659	1,285,902	1,273,194	1,305,123	1,346,991	1,369,105	1,340,724	1,345,257
Central Services	476,297	498,832	478,820	517,068	539,381	557,996	639,900	756,329	658,579	657,572
Administration Information Technology	311,877	311,222	242,994	502,713	392,633	415,667	372,732	382,838	394,237	377,500
Plant Operations and Maintenance	3,367,788	3,439,687	3,472,257	3,220,196	3,492,398	3,759,144	4,538,424	3,827,715	3,861,941	4,332,677
Pupil Transportation	1,610,284	1,790,889	1,643,627	1,623,185	1,630,332	1,582,662	1,738,123	1,634,186	1,771,698	1,744,554
Unallocated Benefits	6,522,364	7,181,805	8,013,696	8,503,929	9,446,887	9,056,471	9,450,304	10,562,438	11,751,787	13,079,707

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

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenditures										
Capital Outlay	\$ 2,486,863	\$ 3,016,187	\$ 5,957,007	\$ 3,269,319	\$ 7,793,195	\$ 930,816	\$ 3,011,502	\$ 2,081,013	\$ 1,602,397	\$ 3,808,531
Debt Service:										
Principal	845,000	880,000	925,000	965,000	1,015,000	1,115,000	1,155,000	1,205,000	1,255,000	1,305,000
Interest and Other Charges	1,143,652	1,113,464	1,081,877	1,048,801	962,638	834,124	806,788	761,525	718,875	680,475
Total Expenditures	43,353,903	45,755,474	50,117,079	47,785,942	53,659,992	47,855,030	52,833,811	53,106,068	54,087,398	59,450,139
Excess (Deficiency) of Revenues Over (Under) Expenditures	776,943	(137,193)	(2,792,283)	902,804	(2,824,309)	2,674,148	(510,812)	1,189,766	3,023,730	(232,975)
Other Financing Sources (Uses)										
Cancellation of SDA Grant Receivable	(295,726)	(16,579)								
Capital Leases		348,196	4,936,583		4,890,989					
Transfers In	27,545	1,462,626	1,701,088	1,692,045	1,142,435	2,520,024	632,176	7,387	169,456	1,184,439
Transfers Out	(27,545)	(1,462,626)	(1,701,088)	(1,692,045)	(1,142,435)	(2,520,024)	(632,176)	(7,387)	(169,456)	(1,184,439)
Total Other Financing Sources (Uses)	(295,726)	331,617	4,936,583	-0-	4,890,989	-0-	-0-	-0-	-0-	-0-
Net Change in Fund Balances	\$ 481,217	\$ 194,424	\$ 2,144,300	\$ 902,804	\$ 2,066,680	\$ 2,674,148	\$ (510,812)	\$ 1,189,766	\$ 3,023,730	\$ (232,975)
Debt Service as a Percentage of Noncapital Expenditures	5.12%	4.89%	4.76%	4.74%	4.51%	4.33%	4.10%	4.01%	3.91%	3.70%

Source: School District Financial Reports.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2009	\$ 66,293	\$ 153,035	\$ 4,200	\$ 4,507	\$ 228,035
2010	51,356	121,063	8,546	204,250	385,215
2011	52,344	295,888	6,632	155,400	510,264
2012	19,952	322,372	6,525	272,991	621,840
2013	30,411	514,615	10,175	157,771	712,972
2014	37,833	523,008	6,775	175,973	743,589
2015	7,000	477,831	3,600	197,537	685,968
2016	5,750	630,780	11,966	229,772	878,268
2017	7,000	966,246	4,180	411,799	1,389,225
2018	7,000	1,255,489	8,444	174,493	1,445,426

Source: Pascack Valley Regional High School District records.

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

BOROUGH OF HILLSDALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	\$ 12,449,200	\$ 1,818,907,400	\$ 745,000	\$ 13,100	\$ 107,676,500	\$ 14,315,500	\$ 1,995,300	\$ 1,950,102,000	\$ 151,688,000	\$ 7,462,332	\$ 1,963,564,332	0.45	\$ 1,984,787,186
2009	12,081,100	1,821,722,900	745,000	13,100	109,531,700	14,315,500	1,995,300	1,960,404,600	152,331,200	7,084,084	1,967,488,684	0.46	2,058,164,361
2010	16,589,400	1,816,609,300	745,000	13,100	109,531,700	14,315,500	1,995,300	1,959,799,300	152,871,600	8,382,930	1,968,182,230	0.51	2,058,164,361
2011	15,864,900	1,816,573,400	745,000	13,100	108,901,100	13,747,600	1,995,300	1,957,840,400	153,960,400	8,579,677	1,966,420,077	0.53	1,952,438,002
2012	15,382,100	1,809,213,560	745,000	13,100	106,992,800	13,747,600	1,995,300	1,948,089,460	153,491,400	8,428,811	1,956,518,271	0.54	1,893,124,566
2013	11,462,800	1,543,338,400	676,200	12,200	97,389,700	12,029,100	4,959,700	1,669,868,100	140,637,400	6,484,341	1,676,352,441	0.65	1,760,985,490
2014	10,606,300	1,543,881,100	621,800	12,200	97,025,800	12,029,100	4,959,700	1,669,136,000	140,724,900	5,466,941	1,674,602,941	0.65	1,810,828,300
2015	10,606,300	1,544,839,900	621,800	12,200	96,902,400	12,029,100	4,959,700	1,669,971,400	140,595,200	5,459,352	1,675,430,752	0.68	1,778,154,309
2016	10,541,400	1,547,451,500	621,800	12,200	96,611,800	12,029,100	4,959,700	1,672,227,500	140,242,900	5,840,947	1,678,068,447	0.68	1,812,873,041
2017	10,204,700	1,550,344,000	621,800	12,200	96,744,900	12,029,100	4,959,700	1,674,916,400	140,488,700	5,840,947	1,680,757,347	0.68	1,805,083,688

BOROUGH OF MONTVALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	\$ 51,808,600	\$ 1,641,992,200	\$ 2,246,000	\$ 37,600	\$ 603,707,200	\$ 13,075,000	\$ 18,753,000	\$ 2,331,619,600	\$ 110,077,700	\$ 2,959,566	\$ 2,334,579,166	0.41	\$ 2,164,252,522
2009	35,927,700	1,684,771,100	2,246,000	37,600	599,708,200	13,075,000	18,753,000	2,354,518,600	110,100,700	2,814,962	2,357,333,562	0.42	2,271,988,152
2010	30,721,300	1,699,843,800	2,246,000	37,600	589,788,400	13,075,000	18,753,000	2,354,465,100	110,026,100	3,948,799	2,358,413,899	0.44	2,271,988,152
2011	42,391,100	1,711,031,500	2,246,000	37,600	587,625,400	11,339,100	18,753,000	2,373,423,700	110,478,700	2,961,081	2,376,384,781	0.44	2,300,568,569
2012	30,625,900	1,727,073,100	2,246,000	37,600	582,231,700	11,339,100	18,753,000	2,372,306,400	111,007,100	2,939,324	2,375,245,724	0.46	2,280,590,779
2013	* 21,928,800	1,374,516,300	1,939,100	32,400	581,097,200	11,044,100	17,653,000	2,008,210,900	112,457,100	2,735,012	2,010,945,912	0.56	2,177,618,311
2014	25,314,100	1,375,114,800	1,939,100	32,400	576,034,600	11,044,100	17,653,000	2,007,132,100	112,110,400	2,166,301	2,009,298,401	0.59	2,272,470,680
2015	20,081,500	1,393,297,000	1,939,100	32,400	609,601,400	11,044,100	17,653,000	2,053,648,500	112,110,400	2,513,505	2,056,162,005	0.63	2,261,833,469
2016	40,981,600	1,400,530,900	1,939,100	18,000	562,631,600	11,044,100	17,653,000	2,034,798,300	115,930,000	2,467,175	2,037,265,475	0.66	2,288,500,542
2017	36,648,700	1,429,329,000	1,939,100	18,000	541,543,970	11,044,100	17,653,000	2,038,175,870	116,711,900	2,242,777	2,040,418,647	0.66	2,291,556,345

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

b - Tax rates are per \$100.

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

* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	\$ 27,018,600	\$ 1,958,207,600	\$ 1,791,500	\$ -	\$ 103,944,500	\$ -	\$ 13,034,700	\$ 2,103,996,900	\$ 91,265,600	\$ 1,409,778	\$ 2,105,406,678	0.47	\$ 2,357,792,210
2009	30,596,900	1,956,094,500	1,791,500	-	101,944,500	-	13,034,700	2,103,462,100	92,009,600	1,512,178	2,104,974,278	0.47	2,230,833,059
2010	30,632,200	1,963,018,600	1,791,500	-	104,445,700	-	13,034,700	2,112,922,700	92,396,700	220,618	2,113,143,318	0.47	2,230,833,059
2011	27,416,700	1,969,780,400	-	-	70,900,800	-	13,034,700	2,081,132,600	123,482,200	1,600,551	2,082,733,151	0.49	2,075,161,024
2012	28,687,500	1,961,429,200	-	-	76,456,600	-	13,034,700	2,079,608,000	125,283,200	1,527,724	2,081,135,724	0.51	2,043,697,829
2013	24,311,200	1,961,259,300	-	-	75,786,600	-	13,034,700	2,074,391,800	125,265,600	1,480,772	2,075,872,572	0.52	1,984,989,947
2014	22,643,800	1,953,627,700	-	-	71,333,700	-	13,034,700	2,060,639,900	127,962,100	1,330,849	2,061,970,749	0.53	1,939,589,744
2015	17,521,400	1,964,693,300	-	-	71,128,200	-	13,034,700	2,066,377,600	126,791,200	1,351,396	2,067,728,996	0.58	1,956,461,720
2016	15,375,500	1,974,406,900	-	-	70,235,800	-	13,034,700	2,073,052,900	127,037,000	1,344,095	2,074,396,995	0.58	2,047,995,196
2017	15,467,100	1,974,720,200	-	-	71,521,600	-	13,034,700	2,074,743,600	127,518,100	1,333,316	2,076,076,916	0.61	2,076,076,916

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2008	\$ 16,806,600	\$ 1,218,110,700	\$ 930,800	\$ 6,400	\$ 415,187,600	\$ -	\$ -	\$ 1,651,042,100	\$ 58,224,900	\$ 1,584,879	\$ 1,652,626,979	0.60	\$ 2,245,069,011
2009	16,008,200	1,226,381,100	930,800	6,400	460,623,700	-	-	1,703,950,200	55,563,000	1,648,608	1,705,598,808	0.61	2,269,801,638
2010	16,806,600	1,218,110,700	930,800	6,400	415,187,600	-	-	1,651,042,100	58,224,900	1,584,879	1,652,626,979	0.65	2,245,069,011
2011	14,696,900	1,233,145,100	930,800	6,400	454,682,800	-	-	1,703,462,000	57,760,400	1,723,119	1,705,185,119	0.68	2,183,926,392
2012	24,756,000	1,277,784,100	1,225,400	6,600	542,447,400	-	-	1,846,219,500	68,044,300	1,723,119	1,847,942,619	0.62	1,969,565,261
2013	21,415,000	1,279,611,400	1,003,600	6,600	526,614,400	-	-	1,828,651,000	67,849,500	1,902,495	1,830,553,495	0.61	1,999,384,529
2014	14,430,300	1,293,849,200	1,003,600	6,600	473,997,500	-	-	1,783,287,200	67,303,700	1,488,377	1,784,775,577	0.63	1,924,752,204
2015	12,987,200	1,368,240,000	1,042,900	6,600	512,114,400	-	-	1,894,391,100	67,622,700	1,777,846	1,896,168,946	0.60	1,965,379,073
2016	12,723,700	1,387,553,500	1,061,300	6,600	517,184,700	-	-	1,918,529,800	68,458,300	1,781,755	1,920,311,555	0.59	1,935,004,044
2017	23,281,300	1,405,890,100	1,060,700	6,600	551,589,700	-	-	1,981,828,400	69,125,200	1,775,410	1,983,603,810	0.56	1,983,603,810

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

b - Tax rates are per \$100.

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

* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

BOROUGH OF HILLSDALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b		Borough of Hillsdale	Borough of Hillsdale Public Schools	Bergen County	
		Total Direct					
2008	\$ 0.43	\$ 0.02	\$ 0.45	\$ 0.39	\$ 0.83	\$ 0.18	\$ 1.85
2009	0.44	0.02	0.46	0.40	0.86	0.20	1.93
2010	0.49	0.02	0.51	0.42	0.91	0.20	2.04
2011	0.51	0.02	0.53	0.43	0.95	0.20	2.11
2012	0.51	0.02	0.54	0.44	0.97	0.21	2.16
2013	* 0.62	0.03	0.65	0.49	1.19	0.24	2.57
2014	0.62	0.03	0.65	0.54	1.17	0.25	2.61
2015	0.65	0.03	0.68	0.55	1.13	0.26	2.62
2016	0.65	0.03	0.68	0.55	1.22	0.26	2.71
2017	0.65	0.03	0.68	0.57	1.23	0.27	2.75

BOROUGH OF MONTVALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b		Borough of Montvale	Borough of Montvale Public Schools	Bergen County	
		Total Direct					
2008	\$ 0.39	\$ 0.02	\$ 0.41	\$ 0.39	\$ 0.55	\$ 0.16	\$ 1.51
2009	0.40	0.02	0.42	0.41	0.56	0.18	1.57
2010	0.42	0.02	0.44	0.43	0.57	0.18	1.63
2011	0.42	0.02	0.44	0.45	0.59	0.20	1.68
2012	0.44	0.02	0.46	0.46	0.60	0.21	1.73
2013	* 0.54	0.02	0.56	0.56	0.73	0.25	2.10
2014	0.56	0.04	0.59	0.58	0.75	0.26	2.18
2015	0.60	0.03	0.63	0.58	0.73	0.26	2.20
2016	0.63	0.03	0.66	0.59	0.75	0.26	2.26
2017	0.63	0.03	0.66	0.60	0.77	0.27	2.30

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

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

* - Property revaluation became effective in this year.

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

Source: Municipal Tax Collectors and School Business Administrator.

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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Pascack Valley Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Township of River Vale		Bergen County	
	Basic Rate ^a	General Obligation Debt Service ^b		Township of River Vale	Public Schools		
2008	\$ 0.45	\$ 0.02	\$ 0.47	\$ 0.39	\$ 0.83	\$ 0.20	\$ 1.89
2009	0.45	0.02	0.47	0.41	0.86	0.20	1.95
2010	0.45	0.02	0.47	0.43	0.90	0.20	2.00
2011	0.46	0.02	0.49	0.70	0.87	0.23	2.29
2012	0.49	0.02	0.51	0.48	0.96	0.22	2.17
2013	0.50	0.02	0.52	0.50	0.99	0.22	2.23
2014	0.51	0.02	0.53	0.50	1.02	0.22	2.27
2015	0.56	0.02	0.58	0.53	1.01	0.23	2.35
2016	0.56	0.02	0.58	0.55	1.05	0.24	2.42
2017	0.59	0.02	0.61	0.56	1.06	0.25	2.49

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Pascack Valley Regional High School District			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Borough of Woodcliff Lake		Bergen County	
	Basic Rate ^a	General Obligation Debt Service ^b		Borough of Woodcliff Lake	Public Schools		
2008	\$ 0.57	\$ 0.03	\$ 0.60	\$ 0.44	\$ 0.75	\$ 0.24	\$ 2.05
2009	0.58	0.03	0.61	0.45	0.75	0.26	2.08
2010	0.62	0.03	0.65	0.47	0.77	0.27	2.18
2011	0.65	0.03	0.68	0.50	0.80	0.26	2.24
2012	0.59	0.03	0.62	0.49	0.74	0.23	2.08
2013	0.58	0.03	0.61	0.51	0.77	0.24	2.13
2014	0.60	0.03	0.63	0.52	0.81	0.25	2.21
2015	0.58	0.02	0.60	0.51	0.76	0.25	2.12
2016	0.57	0.02	0.59	0.51	0.79	0.25	2.14
2017	0.54	0.02	0.56	0.50	0.78	0.25	2.09

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

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

* - Property revaluation became effective in this year.

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

Source: Municipal Tax Collectors and School Business Administrator.

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

BOROUGH OF HILLSDALE

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
New Creek LLC	\$ 11,472,700	1	0.68%			
Crossroads- Hillsdale Association	9,126,400	2	0.54%	9,502,100	2	0.48%
New Jersey Bell, C/O Duff & Phelps	5,873,363	3	0.35%	8,676,887	3	0.44%
Edgewood Golf Course Realty Assoc LLC	3,069,400	4	0.18%	3,880,800	4	0.20%
Pavonia Equities, LP	3,008,100	5	0.18%			
Marsala Enterprises	2,651,000	6	0.16%	2,710,100	8	0.14%
100 Park Ave Assoc LLC	2,560,000	7	0.15%			
NJ Bell, Gen Tax ADM	2,400,000	8	0.14%			
371 Retail Associates LLC	2,200,000	9	0.13%			
Bank of America	2,055,000	10	0.12%	2,547,400	9	0.13%
Golden Orchard Assoc., LP				3,332,000	6	0.17%
Prima II LLC				10,483,100	1	0.53%
New Jersey Bell				3,365,700	5	0.17%
USA Waste c/o Waste Management				2,278,400	10	0.12%
321 Broadway Associates, LLC				3,170,100	7	0.16%
Total	\$ 44,415,963		2.63%	\$ 49,946,587		2.54%

BOROUGH OF MONTVALE

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
KPMG Peat Marwick Co	\$ 47,550,000	1	2.31%	\$ 50,000,000	1	2.12%
Hekemian, Samuel Etals	38,255,000	2	1.86%			
Terraza 18 LLC	38,015,900	3	1.85%			
Montvale Dev. Group c/o/ Hekemian	36,993,600	4	1.80%			
MSKCC Properties LLC of NJ	35,991,100	5	1.75%			
Grand Prix Montvale LLC c/o Ganghi	20,900,000	6	1.01%	23,000,000	5	0.98%
A. Sanzari Enter. c/o J. Hammer	17,653,000	7	0.86%			
Benjamin Moore & Co.	16,000,000	8	0.78%	19,000,000	7	0.81%
155 Montvale Partners, LLC c/o Gold	14,059,500	9	0.68%			
LSREF4 Rebound LLC/Transwestern	13,250,100	10	0.64%			
Alexender Summer, LLC				16,500,000	10	0.70%
Western Union Financial c/o First Data				18,000,000	8	0.76%
Prim Montvale LLC				29,000,000	4	1.23%
Mercedes Benz				37,500,000	2	1.59%
VV New Jersey				19,500,000	6	0.83%
One Paragon Associates				17,200,000	9	0.73%
Two Paragon Associates				29,900,000	3	1.27%
Total	\$ 278,668,200		13.53%	\$ 259,600,000		11.02%

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

Source: Municipal Tax Assessors.

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

TOWNSHIP OF RIVER VALE

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Edgewood Golf Course Rlty Assoc, LLC	\$ 21,235,400	1	1.02%	\$ 25,235,400	1	1.19%
Gal-Ben Associates, LLC	7,672,000	2	0.37%	7,672,000	4	0.36%
Rivervale Collignon Vil Prty Owr LP	7,266,400	3	0.35%	7,266,400	5	0.34%
United Water Co of NJ	5,830,600	4	0.28%	11,247,800	2	0.53%
688 Westwood Ave LLC c/o V Luppino	5,548,200	5	0.27%			
Florentine, Inc.	5,187,100	6	0.25%	5,187,100	7	0.24%
Lindvale Gardens Ltd.	4,165,300	7	0.20%	4,165,300	10	0.19%
SCH Rivervale, LLC	2,514,600	8	0.12%			
MWD River Vale One LLC	2,326,400	9	0.11%			
V.E.R. Corp	1,791,500	10	0.09%			
Chemitek 2006, LLC C/O Palisades Fin				9,136,400	3	0.43%
Chemitek 2006, LLC C/O Palisades Fin				6,742,400	6	0.31%
Rivervale Developers III, LLC				5,063,500	8	0.23%
River Vale Dev LLC % Garden Homes				5,000,000	9	0.23%
Total	\$ 63,537,500		3.06%	\$ 86,716,300		4.05%

BOROUGH OF WOODCLIFF LAKE

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
BMW of North America LLC	\$ 147,287,000	1	7.32%	\$ 167,565,500	1	7.46%
Gramercy Property Trust	54,796,800	2	2.72%			
WS Tice's Corner Mkt, c/o DA Realty	49,065,000	3	2.44%	30,700,400	5	1.37%
Capstone Tice Blvd LLC	41,517,500	4	2.06%			
Hudson-Tice LLC	40,063,900	5	1.99%			
Brighton Norse Realty LLC	31,258,200	6	1.55%			
CP Woodcliff Lakes LLC	23,000,000	7	1.14%			
Engle Burman @ W.L. c/o Ultimate Care	19,707,700	8	0.98%			
Ridge Association 11, c/o Hartz Mtn. Ind	19,675,400	9	0.98%			
123 Tice LLC	18,009,000	10	0.90%			
300 Tice Realty Assoc LLC				36,300,000	4	1.62%
Mack-Cali Chestnut Ridge				42,477,800	2	1.89%
Deloitte & Touche				36,617,200	3	1.63%
Addvance @ W.C.L., LLC				28,657,600	6	1.28%
The Great A&P				13,825,000	8	0.62%
IPC NY Properties, LLC				14,750,000	7	0.66%
400 Chestnut Ridge Realty - Mac Cali				10,800,000	10	0.48%
Total	\$ 444,380,500		22.09%	\$ 394,513,500		17.58%

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

Source: Municipal Tax Assessors.

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

BOROUGH OF HILLSDALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 8,895,807	\$ 8,895,807	100.00%	-0-
2010	9,133,015	9,133,015	100.00%	-0-
2011	10,001,587	10,001,587	100.00%	-0-
2012	10,380,247	10,380,247	100.00%	-0-
2013	10,476,588	10,476,588	100.00%	-0-
2014	10,875,330	10,875,330	100.00%	-0-
2015	10,809,102	10,809,102	100.00%	-0-
2016	10,563,576	10,563,576	100.00%	-0-
2017	10,964,812	10,964,812	100.00%	-0-
2018	11,025,958	11,025,958	100.00%	-0-

BOROUGH OF MONTVALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 9,571,945	\$ 9,571,945	100.00%	-0-
2010	10,335,456	10,335,456	100.00%	-0-
2011	10,437,043	10,437,043	100.00%	-0-
2012	10,648,223	10,648,223	100.00%	-0-
2013	11,170,880	11,170,880	100.00%	-0-
2014	11,390,163	11,390,163	100.00%	-0-
2015	12,260,632	12,260,632	100.00%	-0-
2016	12,774,608	12,774,608	100.00%	-0-
2017	12,347,197	12,347,197	100.00%	-0-
2018	13,332,391	13,332,391	100.00%	-0-

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

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

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

TOWNSHIP OF RIVER VALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 9,766,440	\$ 9,766,440	100.00%	-0-
2010	9,933,482	9,933,482	100.00%	-0-
2011	9,930,100	9,930,100	100.00%	-0-
2012	10,116,618	10,116,618	100.00%	-0-
2013	10,673,670	10,673,670	100.00%	-0-
2014	10,787,475	10,787,475	100.00%	-0-
2015	11,002,982	11,002,982	100.00%	-0-
2016	11,564,508	11,564,508	100.00%	-0-
2017	11,570,402	11,570,402	100.00%	-0-
2018	12,199,043	12,199,043	100.00%	-0-

BOROUGH OF WOODCLIFF LAKE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 10,196,896	\$ 10,196,896	100.00%	-0-
2010	10,488,001	10,488,001	100.00%	-0-
2011	11,616,681	11,616,681	100.00%	-0-
2012	11,563,385	11,563,385	100.00%	-0-
2013	11,221,093	11,221,093	100.00%	-0-
2014	11,239,497	11,239,497	100.00%	-0-
2015	11,079,279	11,079,279	100.00%	-0-
2016	11,415,456	11,415,456	100.00%	-0-
2017	11,027,944	11,027,944	100.00%	-0-
2018	10,271,169	10,271,169	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Capital Leases				
2009	\$ 28,253,000	\$ -0-	\$ 1,349,428	\$ -	\$ -0-	\$ -0-	\$ 29,602,428	1.40%	893.63	
2010	27,373,000	-0-	1,015,428	-0-	-0-	-0-	28,388,428	1.32%	845.50	
2011	26,448,000	-0-	5,241,931	-0-	-0-	-0-	31,689,931	1.39%	935.99	
2012	25,483,000	-0-	3,009,995	-0-	-0-	-0-	28,492,995	1.19%	833.49	
2013	24,375,000	-0-	4,890,989	-0-	-0-	-0-	29,265,989	1.22%	849.45	
2014	23,260,000	-0-	2,576,018	-0-	-0-	-0-	25,836,018	1.01%	743.78	
2015	22,105,000	-0-	1,288,009	-0-	-0-	-0-	23,393,009	0.87%	667.11	
2016	20,900,000	-0-	-0-	-0-	-0-	-0-	20,900,000	0.77%	593.58	
2017	19,645,000	-0-	-0-	-0-	-0-	-0-	19,645,000	0.72%	555.01	
2018	18,340,000	-0-	-0-	-0-	-0-	-0-	18,340,000	0.67%	517.63	

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

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

Source: School District Financial Reports.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 28,253,000	\$ -0-	\$ 28,253,000	0.323%	\$ 852.90
2010	27,373,000	-0-	27,373,000	0.310%	815.25
2011	26,448,000	-0-	26,448,000	0.300%	781.17
2012	25,483,000	-0-	25,483,000	0.299%	745.44
2013	24,375,000	-0-	24,375,000	0.298%	707.49
2014	23,260,000	-0-	23,260,000	0.294%	669.62
2015	22,105,000	-0-	22,105,000	0.278%	630.38
2016	20,900,000	-0-	20,900,000	0.263%	593.58
2017	19,645,000	-0-	19,645,000	0.243%	555.01
2018	18,340,000	-0-	18,340,000	0.225%	517.63

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

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

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

Source: School District Financial Reports.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Hillsdale	\$ 3,574,257	100.00%	\$ 3,574,257
Borough of Montvale	11,364,520	100.00%	11,364,520
Township of River Vale	18,519,710	100.00%	18,519,710
Borough of Woodcliff Lake	7,485,698	100.00%	7,485,698
Bergen County General Obligation Debt	1,205,030,344	4.74%	<u>57,132,862</u>
Subtotal, Overlapping Debt			98,077,047
Pascack Valley Regional High School District Direct Debt			<u>18,340,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 116,417,047</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

Year Ended December 31,	Borough of Hillsdale	Borough of Montvale	Township of River Vale	Borough of Woodcliff Lake	Total Equalized Valuation Basis
2015	\$ 1,785,683,704	\$ 2,184,500,053	\$ 2,002,886,110	\$ 2,020,252,853	\$ 7,993,322,720
2016	1,807,032,094	2,286,033,367	2,046,651,101	1,933,222,289	8,072,938,851
2017	1,799,244,172	2,289,313,568	2,065,654,719	1,993,991,750	8,148,204,209
	<u>\$ 1,797,319,990</u>	<u>\$ 2,253,282,329</u>	<u>\$ 2,038,397,310</u>	<u>\$ 1,982,488,964</u>	<u>\$ 24,214,465,780</u>
					<u>Average Equalized Valuation of Taxable Property</u>
					<u>\$ 8,071,488,593</u>
					Debt Limit (3% of Average Equalization Value)
					\$ 242,144,658 *
					Net Bonded School Debt
					<u>18,340,000</u>
					Legal Debt Margin
					<u>\$ 223,804,658</u>

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 254,361,354	\$ 260,150,923	\$ 259,420,592	\$ 255,222,565	\$ 249,363,315
Total Net Debt Applicable to Limit	28,253,000	27,373,000	26,448,000	25,483,000	24,375,000
Legal Debt Margin	<u>\$ 226,108,354</u>	<u>\$ 232,777,923</u>	<u>\$ 232,972,592</u>	<u>\$ 229,739,565</u>	<u>\$ 224,988,315</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.11%	10.52%	10.20%	9.98%	9.77%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 244,177,897	\$ 240,607,906	\$ 239,019,034	\$ 239,142,641	\$ 242,144,658
Total Net Debt Applicable to Limit	23,260,000	22,105,000	20,900,000	19,645,000	18,340,000
Legal Debt Margin	<u>\$ 220,917,897</u>	<u>\$ 229,739,565</u>	<u>\$ 218,119,034</u>	<u>\$ 219,497,641</u>	<u>\$ 223,804,658</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.53%	9.98%	8.74%	8.21%	7.57%

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

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

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

BOROUGH OF HILLSDALE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2009	9,845	\$ 640,879,965	\$ 65,097	5.80%
2010	10,219	675,271,520	66,080	5.90%
2011	10,292	710,600,848	69,044	5.80%
2012	10,390	747,591,670	71,953	5.90%
2013	10,446	746,356,254	71,449	6.20%
2014	10,487	768,623,691	73,293	4.70%
2015	10,532	804,518,416	76,388	4.00%
2016	10,546	814,014,102	77,187	4.00%
2017	10,581 **	816,715,647 **	77,187 *	4.00%
2018	10,581 **	816,715,647 **	77,187 *	3.80%

BOROUGH OF MONTVALE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2009	7,636	\$ 497,080,692	\$ 65,097	5.80%
2010	7,866	519,785,280	66,080	6.00%
2011	7,965	549,935,460	69,044	5.90%
2012	8,099	582,747,347	71,953	6.00%
2013	8,192	585,310,208	71,449	5.70%
2014	8,305	608,698,365	73,293	4.70%
2015	8,440	644,714,720	76,388	3.90%
2016	8,538	659,022,606	77,187	3.90%
2017	8,724 **	673,379,388 **	77,187 *	3.90%
2018	8,724 **	673,379,388 **	77,187 *	3.70%

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

** - Latest Bergen County per capita personal income available (2016) and municipal population data available (2017) was used for calculation purposes.

Source:

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

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

TOWNSHIP OF RIVER VALE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2009	9,655	\$ 628,511,535	\$ 65,097	4.80%
2010	9,684	639,918,720	66,080	4.90%
2011	9,762	674,007,528	69,044	4.90%
2012	9,836	707,729,708	71,953	4.90%
2013	9,897	707,130,753	71,449	7.80%
2014	9,970	730,731,210	73,293	4.30%
2015	10,030	766,171,640	76,388	4.00%
2016	10,183	785,995,221	77,187	3.80%
2017	10,223 **	789,082,701 **	77,187 *	3.80%
2018	10,223 **	789,082,701 **	77,187 *	3.50%

BOROUGH OF WOODCLIFF LAKE

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2009	5,961	388,043,217	\$ 65,097	3.20%
2010	5,729	378,572,320	66,080	3.30%
2011	5,764	397,969,616	69,044	3.30%
2012	5,799	417,255,447	71,953	3.30%
2013	5,809	415,047,241	71,449	6.50%
2014	5,845	428,397,585	73,293	4.00%
2015	5,914	451,758,632	76,388	3.40%
2016	5,911	456,252,357	77,187	3.00%
2017	5,903 **	455,634,861 **	77,187 *	3.00%
2018	5,903 **	455,634,861 **	77,187 *	3.00%

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

** - Latest Bergen County per capita personal income available (2016) and municipal population data available (2017) was used for calculation purposes.

Source:

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

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

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

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

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

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

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

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction:										
Regular	129	130	136	139	142	138	140	147	145	148
Special Education	24	25	23	23	24	27	26	35	34	44
Other Special Instruction	19	19	17	20	18	10	12	1	1	0
Other Instruction	16	16	0	0	0	0	0	1	1	1
Support Services:										
Student & Instruction Related Services	37	37	45	47	57	59	58	54	51	49
General Administrative Services	7	7	4	4	4	4	4	4	4	4
School Administrative Services	11	11	13	14	14	14	14	13	12	12
Plant Operations and Maintenance	7	7	30	30	31	31	31	33	31	34
Pupil Transportation	27	27	1	1	1	1	1	1	1	1
Business and Other Support Services	1	1	13	14	13	14	12	13	12	11
Total	278	280	282	292	304	298	298	302	292	304

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pascack Hills High School	Pascack Valley High School				
2009	1,952	\$ 38,878,388	\$ 19,917	-6.12%	145	1:9	1:10	1,868.0	1,791.9	-1.83%	95.93%
2010	2,052	40,745,823	19,857	-0.30%	145	1:9	1:10	1,872.4	1,797.6	0.24%	96.01%
2011	2,075	42,153,195	20,315	2.31%	159	1:12	1:14	2,054.8	1,965.6	9.74%	95.66%
2012	2,066	42,502,822	20,573	1.27%	162	1:12	1:13	2,051.1	1,977.4	-0.18%	96.41%
2013	2,080	43,889,159	21,101	2.57%	175	1:10	1:13	2,037.6	1,953.1	-0.66%	95.85%
2014	2,062	44,975,090	21,811	3.37%	157	1:13	1:13	2,070.0	1,984.0	1.59%	95.85%
2015	2,042	47,860,521	23,438	7.46%	169	1:12	1:12	2,027.7	1,954.0	-2.04%	96.37%
2016	2,068	49,058,530	23,723	1.21%	172	1:12	1:12	2,059.4	1,985.4	1.56%	96.41%
2017	2,034	50,511,126	24,833	4.68%	174	1:11	1:12	2,026.2	1,941.5	-1.61%	95.82%
2018	2,052	53,656,133	26,148	5.29%	172	1:11	1:12	2,010.6	1,934.8	-0.77%	96.23%

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

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

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

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

Note: Enrollment based on annual October District count.

Source: Pascack Valley Regional High School District records.

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

<u>District Building</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
Pascack Valley High School (1962)										
Square Feet	171,594	171,594	171,594	171,594	171,594	200,807	200,807	200,807	200,807	200,807
* Capacity (students)	1,117	1,117	1,117	1,117	1,117	1,307	1,307	1,307	1,307	1,307
Enrollment	1,121	1,192	1,248	1,257	1,279	1,265	1,191	1,191	1,210	1,234
Pascack Hills High School (1954)										
Square Feet	161,870	161,870	161,870	161,870	161,870	193,037	193,037	193,037	193,037	193,037
* Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	781	810	827	809	801	835	842	842	824	818
Superintendent's Office Building										
Square Feet	877	877	877	877	877	877	877	877	877	877
Board of Education Offices										
Square Feet	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253

Number of Schools at June 30, 2018
 High School = 2

* Based on Functional Capacity in District's LRRP

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

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

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

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Pascack Hills HS	N/A	\$ 479,057	\$ 528,521	\$ 566,797	\$ 314,119	\$ 400,169
Pascack Valley HS	N/A	440,136	924,300	398,572	429,062	659,373
Total School Facilities		<u>919,193</u>	<u>1,452,820</u>	<u>965,369</u>	<u>743,181</u>	<u>1,059,542</u>
Grand Total		<u>\$ 919,193</u>	<u>\$1,452,820</u>	<u>\$ 965,369</u>	<u>\$ 743,181</u>	<u>\$ 1,059,542</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Pascack Hills HS	N/A	\$ 307,522	\$ 279,207	\$ 297,751	\$ 319,182	\$ 387,731
Pascack Valley HS	N/A	247,623	273,353	266,027	326,945	415,759
Total School Facilities		<u>555,145</u>	<u>552,560</u>	<u>563,778</u>	<u>646,127</u>	<u>803,490</u>
Grand Total		<u>\$ 555,145</u>	<u>\$ 552,560</u>	<u>\$ 563,778</u>	<u>\$ 646,127</u>	<u>\$ 803,490</u>

N/A - Not Applicable.

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

Source: Pascack Valley Regional High School District records.

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Northeast Bergen County School Board Insurance Group- School Package		
Policy - Great American:		
Property - Blanket Building and Grounds:		
School Limit	\$ 95,220,086	\$ 5,000
Flood:		
Outside Zones A, V or B	5,000,000	50,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Boiler and Machinery - Great American:		
Property Damage	95,220,089	
General Liability - Great American:		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
Commercial Automobile Liability - Great American:		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
Commercial Umbrella -		
Great American	9,000,000	10,000
Excess Umbrella -		
Fireman's Fund Insurance Company (Excess of \$9,000,000):		
Per Occurrence	50,000,000	
Group Aggregate	50,000,000	
Worker's Compensation - Safety National:		
Per Occurrence	Statutory	
Indemnity Employers Liability per Occurrence	1,000,000	

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

	<u>Coverage</u>	<u>Deductible</u>
Environmental Legal Liability - ACE		
Insurance Company:		
Per Occurrence	\$ 2,000,000	\$ 15,000
Aggregate	4,000,000	
Group Aggregate	20,000,000	
Crime Coverage - Selective Insurance Company:		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty	400,000	
Forgery and Alterations	50,000	1,000
Educators Legal Liability - Darwin:		
Educators Legal Ded	1,000,000	35,000
Employment Practices Ded		35,000
Individual Bonds - Selective Insurance Company:		
School Business Administrator/Board Secretary	450,000	
Treasurer of School Monies	450,000	
Accidental Death and Dismemberment - Gerber Life Insurance		
Principal Sum (AD&D)	100,000	
Student and Athletic Accident - Peoples Benefit Life		
Insurance Company:	Catlin	
Accident Medical Expense Benefit	Basic	
Athletics	80% Coinsurance	25,000
Student		25,000
Accident Medical Expense Benefit - CAT		
Athletics	5,000,000	
Student	5,000,000	
Voluntary: Berkley Life	500,000	
Cyber Liability - XL Insurance		
1st Party/3rd Party	1,000,000/2,000,000	25,100/15,000
Policy Aggregate	6,000,000	

Source: Pascack Valley Regional High School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pascack Valley Regional High School District, in the County of Bergen (the "Board") as of, and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated 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
Pascack Valley Regional High School District
Page 2

Compliance and Other Matters

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

Purpose of this Report

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

Mount Arlington, New Jersey
January 18, 2019


NISIVOCCIA LLP



Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

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

Auditors' Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 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 NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

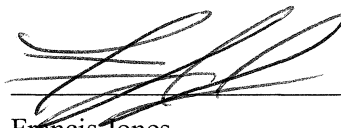
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Mount Arlington, New Jersey
January 18, 2019

Nisivoccia LLP
NISIVOCCIA LLP



Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2017		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2018		Amounts Provided to Subrecipients
		From	To		(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue	
Special Revenue Fund:												
Passed-through State Department of Education:												
Elementary and Secondary Education Act:												
84.367	ESEA-3960-18	7/1/17	6/30/18	\$ 25,160				\$ 21,060	\$ (21,060)			
84.365	ESEA-3960-14	7/1/13	6/30/14	1,028							\$ 933	
84.424	ESEA-3960-18	7/1/17	6/30/18	10,000				7,527	(9,987)	\$ (2,460)		
	Total No Child Left Behind							28,587	(31,047)	(2,460)	933	
Special Education Cluster:												
84.027	IDEA-3960-18	7/1/17	6/30/18	449,562				381,066	(449,536)	(68,470)		
84.027	IDEA-3960-17	7/1/16	6/30/17	454,126				91,003				
	Total Special Education Cluster							472,069	(449,536)	(68,470)		
	Total Special Revenue Fund							500,656	(480,583)	(70,930)	933	
	Total U.S. Department of Education							500,656	(480,583)	(70,930)	933	
	TOTAL FEDERAL AWARDS							\$ 500,656	\$ (480,583)	\$ (70,930)	\$ 933	\$ -0-

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

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

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2017			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO (Budgetary Receivable)	Cumulative Total Expenditures
				Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue		
State Department of Education:														
General Fund:														
Special Education Categorical Aid	17-495-034-5120-089	7/1/16	928,282	\$ (26,191)	\$		\$	26,191				\$	928,282	
Special Education Categorical Aid	18-495-034-5120-089	7/1/17	1,006,656	(1,011)			954,266	(1,006,656)				(52,390)	1,006,656	
Security Aid	17-495-034-5120-084	7/1/16	35,828				1,011						35,828	
Security Aid	18-495-034-5120-084	7/1/17	35,828				33,964	(35,828)				(1,864)	35,828	
Transportation Aid	17-495-034-5120-014	7/1/16	110,465	(3,117)			3,117						110,465	
Transportation Aid	18-495-034-5120-014	7/1/17	110,465				104,716	(110,465)				(5,749)	110,465	
Professional Learning Community Aid	17-495-034-3960-101	7/1/16	20,670	(583)			583						20,670	
Professional Learning Community Aid	18-495-034-3960-101	7/1/17	20,670				19,594	(20,670)				(1,076)	20,670	
PARCC Readiness Aid	17-495-034-5120-098	7/1/16	20,650	(582)			582						20,650	
PARCC Readiness Aid	18-495-034-5120-098	7/1/17	20,650				19,575	(20,650)				(1,075)	20,650	
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16	20,650	(582)			582						20,650	
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17	20,650				19,575	(20,650)				(1,075)	20,650	
Extraordinary Special Education Costs Aid	17-495-034-5120-044	7/1/16	430,813	(430,813)			430,813					(363,944)	430,813	
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17	363,944								\$ (363,944)	(363,944)	363,944	
Nonpublic Transportation Aid	17-495-034-5120-014	7/1/16	21,524	(21,524)			21,524					(36,830)	21,524	
Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17	36,830									(36,830)	36,830	
Homeless/Tuition Aid	N/A	7/1/17	1,875									(1,875)	1,875	
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16	1,472,371	(73,300)			73,300					(74,92)	1,472,371	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17	1,498,559				1,424,067	(1,498,559)				(74,92)	1,498,559	
On-Behalf TPAF Post Retirement Contributions	18-495-034-5094-001	7/1/17	1,953,503				1,953,503						1,953,503	
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17	2,952,906				2,952,906						2,952,906	
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17	71,660				71,660						71,660	
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17	3,618				3,618						3,618	
Total General Fund State Aid				(557,703)			8,115,147	(8,097,814)			(477,141)	(540,370)	11,159,067	
Special Revenue Fund:														
NJ Nonpublic Aid:														
Auxiliary Services (Chapter 192):														
Compensatory Education	17-100-034-5120-067	7/1/16	81,518										81,518	
Compensatory Education	18-100-034-5120-067	7/1/17	67,856				67,856	(64,135)		12,183	\$	3,721	69,335	
Home Instruction	18-100-034-5120-067	7/1/17	1,414					(1,414)				(1,414)	1,414	
Handicapped Services (Chapter 193):														
Examination and Classification	17-100-034-5120-066	7/1/16	51,875							10,079			41,796	
Examination and Classification	18-100-034-5120-066	7/1/17	52,971				52,971	(46,785)			6,186		46,785	
Textbook Aid (Chapter 194)	17-100-034-5120-064	7/1/16	51,006							3,846			47,160	
Textbook Aid (Chapter 194)	18-100-034-5120-064	7/1/17	47,736				47,736	(44,564)			3,172		44,564	
Supplementary Instruction	18-100-034-5120-066	7/1/17	1,590							883			707	
Supplementary Instruction	17-100-034-5120-066	7/1/16	3,393				3,393	(2,321)			1,072		2,321	
Corrective Speech	18-100-034-5120-066	7/1/17	20,635							6,933			13,702	
Corrective Speech	17-100-034-5120-064	7/1/16	19,940				19,940	(19,336)			604		19,940	
Textbook Aid (Chapter 194)	18-100-034-5120-064	7/1/17	47,142				47,142	(47,134)			8		47,134	
Textbook Aid (Chapter 194)	18-100-034-5120-064	7/1/16	9,308										9,307	
Nursing Services (Chapter 226)	17-100-034-5120-373	7/1/16	13,468				13,468	(13,460)					8	
Nursing Services (Chapter 226)	18-100-034-5120-373	7/1/17	36,450				36,450	(36,450)					36,450	
Technology Initiative	18-100-034-5120-509	7/1/17	15,000				8,743	(13,524)				(4,781)	13,524	
Technology Initiative	17-100-034-5120-373	7/1/16	9,308								217		9,307	
Security Aid	18-100-034-5120-509	7/1/17	6,500										6,500	
Security Aid	17-100-034-5120-509	7/1/16	15,000										15,000	
First Tech Challenge Grant - Robotics	N/A	7/1/17	433										433	
Anti-Bullying Bill of Rights Act	N/A	7/1/13	433										433	
Total Special Revenue Fund							297,699	(289,123)			33,925		(6,195)	472,167
Total State Department of Education				(557,703)			8,412,846	(8,386,937)			33,925		(546,565)	11,631,234

PASCACK 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		Program or Award Amount	Balance at June 30, 2017			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO
		From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor					GAAP (Accounts Receivable)	Budgetary Unearned Revenue	
Capital Projects Fund:														
Educational Facilities Construction & Financing Act:														
Pascack Hills High School:														
A Wing Window Replacement	SP-3960-040-14-1002	06/09/14	6/30/18	\$ 284,377	\$ (284,377)									
Pascack Valley High School:														
54-56 Wing Window Replacement	SP-3960-040-14-1004	06/09/14	6/30/18	211,806	(190,625)			\$ 175,315						
72 Wing Window Replacement	SP-3960-040-14-1005	06/09/14	6/30/18	158,838	(158,838)									
Total Capital Projects Fund					(633,840)			175,315						
Total NJ Schools Development Authority					(633,840)			175,315						
Total State Awards Subject to Single Audit Determination					\$ (1,191,543)			\$ 8,588,161						
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	7/1/17	6/30/18	(1,953,503)					\$ 1,953,503					
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17	6/30/18	(2,952,906)					2,952,906					
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17	6/30/18	(71,660)					71,660					
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	7/1/17	6/30/18	(3,618)					3,618					
Subtotal - On-Behalf TPAF Pension System Contribution									4,981,687					
Total State Awards Subject to Single Audit Major Program Determination									\$ (3,405,250)					

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE 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 include federal and state awards activity of the Board of Education, Pascack Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 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 agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. 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 \$31,162 for the general fund, \$2,460 for the special revenue fund, and \$175,315 for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds.

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

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,066,652	\$ 8,066,652
Special Revenue Fund	\$ 478,123	289,123	767,246
Capital Projects Fund		175,315	175,315
Total Financial Assistance	<u>\$ 478,123</u>	<u>\$ 8,531,090</u>	<u>\$ 9,009,213</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

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

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA) GRANTS

The District has been awarded grants in the amount of \$913,443 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2018, \$655,021 has been expended and \$175,315 drawn down. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported under the NJSDA on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

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

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education				
Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 1,006,656	\$ 1,006,656
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	35,828	35,828
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	20,650	20,650
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	20,650	20,650
Professional Learning				
Community Aid	18-495-034-3960-101	7/1/17-6/30/18	20,670	20,670

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

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

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.