

**DELAWARE VALLEY REGIONAL
HIGH SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

**Delaware Valley Regional
High School District**

Alexandria Township, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors.....	7

FINANCIAL SECTION..... 8

Independent Auditors’ Report.....	9
-----------------------------------	---

Required Supplementary Information	12
Management’s Discussion and Analysis (Unaudited)	13

Basic Financial Statements (Sections A. and B.).....	21
--	----

A. District-Wide Financial Statements.....	22
A-1 Statement of Net Position	23
A-2 Statement of Activities.....	24

B. Fund Financial Statements.....	26
B-1 Balance Sheet – Governmental Funds	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
B-4 Statement of Net Position – Proprietary Funds.....	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	32
B-6 Statement of Cash Flows – Proprietary Funds.....	33
B-7 Statement of Fiduciary Net Position – Fiduciary Funds	34
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds	35

Notes to the Basic Financial Statements.....	36
--	----

Required Supplementary Information (Unaudited) 78

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions (Unaudited).....	79
L-1 Schedule of District’s Proportionate Share of the Net Pension Liability- Public Employees Retirement System.....	79
L-2 Schedule of District Contributions – Public Employees Retirement System	80
L-3 Schedule of State’s Proportionate Share of the Net Pension Liability Associated with the District - Teachers’ Pension and Annuity Fund.....	81
L-4 Schedule of State Contributions - Teachers’ Pension and Annuity Fund.....	82
L-5 Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	83
Notes to Required Supplementary Information	84

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (Cont'd.)

C.	Budgetary Comparison Schedules (Unaudited).....	87
	C-1 Budgetary Comparison Schedule – General Fund.....	88
	C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	101
	C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	102
D.	School Level Schedules (Not Applicable).....	104
E.	Special Revenue Fund	105
	E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	106
	E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund.....	107
	F-1 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	108
	F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Window Replacement Project	109
	F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Chemistry Lab Renovations	110
	F-1c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Roof Replacement/Renovation.....	111
G.	Proprietary Funds (Enterprise Fund)	113
	G-1 Combining Statement of Net Position	114
	G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	115
	G-3 Combining Statement of Cash Flows	116
H.	Fiduciary Funds	118
	H-1 Combining Statement of Net Position	119
	H-2 Combining Statement of Changes in Net Position.....	120
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	121
	H-4 Student Activity Agency Fund Statement of Activity	122
	H-5 Payroll Agency Fund Schedule of Receipts and Disbursements	123
I.	Long-Term Debt.....	124
	I-1 Schedule of Serial Bonds	125
	I-2 Schedule of Obligations Under Capital Leases.....	126
	I-3 Budgetary Comparison Schedule - Debt Service Fund.....	127

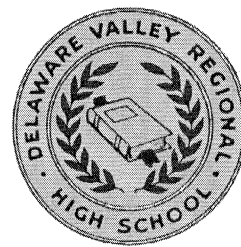
DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

STATISTICAL SECTION

J. Statistical Section (Unaudited)	128
J-1 Net Position by Component	129
J-2 Changes in Net Position	131
J-3 Fund Balances - Governmental Funds	135
J-4 Changes in Fund Balances- Governmental Funds	137
J-5 General Fund Other Local Revenue by Source	141
J-6 Assessed Value and Actual Value of Taxable Property	142
J-7 Direct and Overlapping Property Tax Rates	145
J-8 Principal Property Tax Payers	148
J-9 Property Tax Levies and Collections	151
J-10 Ratios of Outstanding Debt by Type	152
J-11 Ratios of Net General Bonded Debt Outstanding	153
J-12 Ratios of Overlapping Governmental Activities Debt	154
J-13 Legal Debt Margin Information	155
J-14 Demographic and Economic Statistics	156
J-15 Principal Employers	159
J-16 Full-Time Equivalent District Employees by Function/Program	160
J-17 Operating Statistics	161
J-18 School Building Information	162
J-19 Schedule of Required Maintenance for School Facilities	163
J-20 Insurance Schedule	164
 K. Single Audit Section	 165
K-1 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 <i>Government Auditing Standards</i>	 166
K-2 Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance	 168
K-3 Schedule of Expenditures of Federal Awards	170
K-4 Schedule of Expenditures of State Awards	171
K-5 Notes to Schedules of Expenditures of Federal and State Awards	173
K-6 Schedule of Findings and Questioned Costs	175
K-7 Summary Schedule of Prior Audit Findings	177

INTRODUCTORY SECTION

Delaware Valley Regional High School Board of Education



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

Daria A. Wasserbach
Superintendent

Teresa E. Barna, RSBO
Business Administrator/Board Secretary

November 8, 2019

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

Dear Board Members:

The comprehensive annual financial report of the Delaware Valley Regional High School District (the "District") for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: Delaware Valley Regional High School District is an independent reporting entity within the criteria adopted by the GASB in codification section 2100. All funds of the District are included in this report. The Delaware Valley Regional High School Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational and special education services. The District completed the 2018-2019 fiscal year with an enrollment of 760 students, which is 71 students below the previous year's enrollment and represents a decrease of 8.86%.

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

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

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

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

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at fiscal year-end are either canceled or are included as reappropriations of fund balance in the subsequent fiscal year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2019.

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

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

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

The Honorable President and Members of
the Board of Education
Delaware Valley Regional High School District
Page 4
November 8, 2019

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

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

Respectfully submitted,

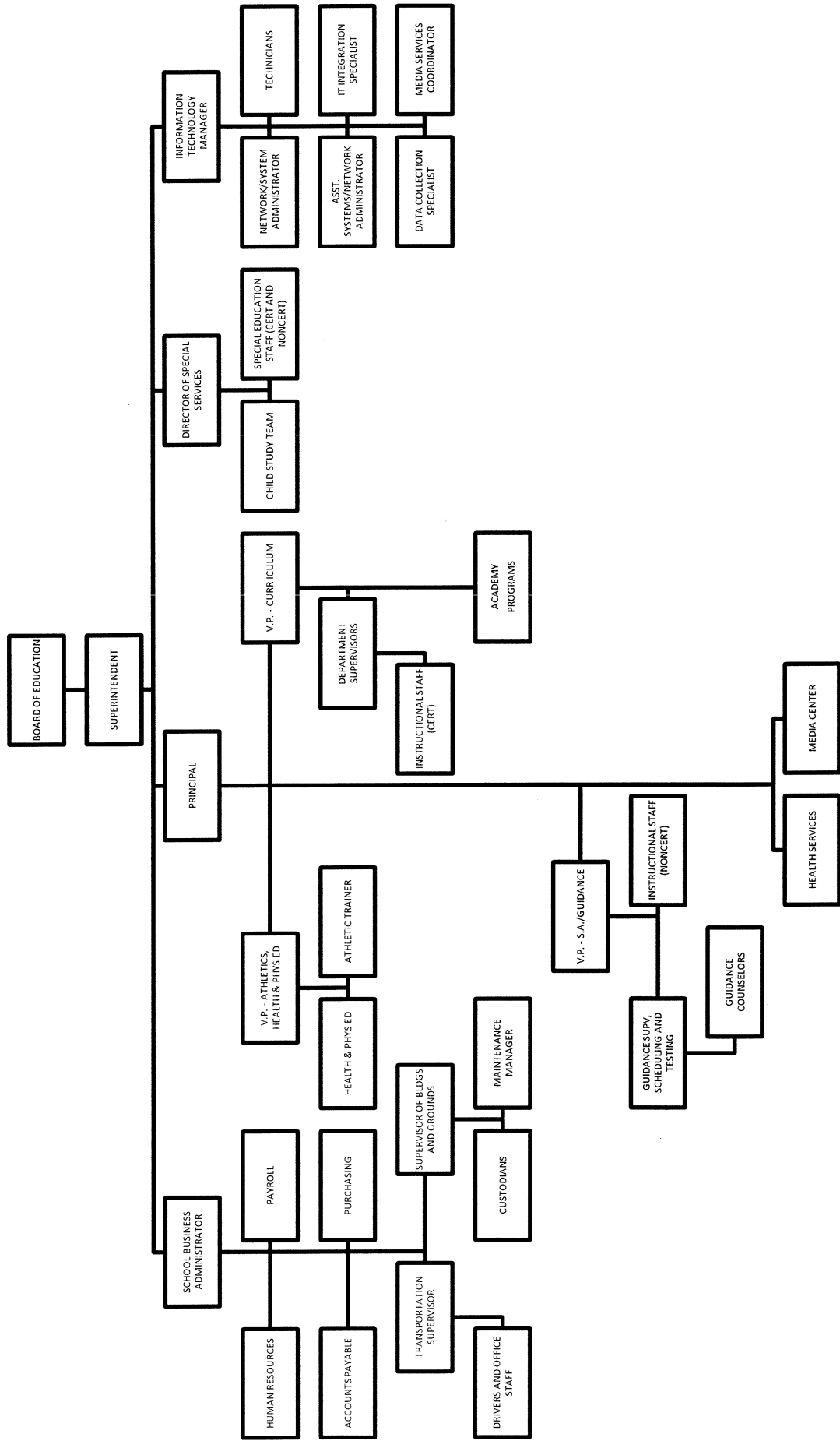


Daria A. Wasserbach
Superintendent of Schools



Teresa E. Barna
Board Secretary/Business Administrator

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION ORGANIZATIONAL CHART



**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Municipality</u>	<u>Term Expires</u>
Ellen Gordon, President	Milford Borough	2019
Jonathan DeLisle, Vice President	Alexandria Township	2020
Debora Frank	Kingwood Township	2021
Sandra Howell, Ph. D.	Holland Township	2019
Michelle Kletter	Alexandria Township	2021
Sharon Lightner	Kingwood Township	2020
Patrick Mancini	Holland Township	2021
Geoffrey Stanley	Frenchtown Borough	2020
George Tavernite	Holland Township	2019

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

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

Attorney

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

Audit Firm

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

Architect

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

Official Depository

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

Financial Advisor

Phoenix Advisors
4 West Park Street
Bordentown, NJ 08505

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delaware Valley Regional High School District (the "District") in the County of Hunterdon, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Valley Regional High School District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension 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 other supplementary schedules 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 other supplementary schedules 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 other 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.

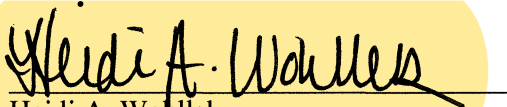
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
November 8, 2019

NISIVOCCIA, LLP



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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FRENCHTOWN, NEW JERSEY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

This section of Delaware Valley Regional High School’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

Figure A-1

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

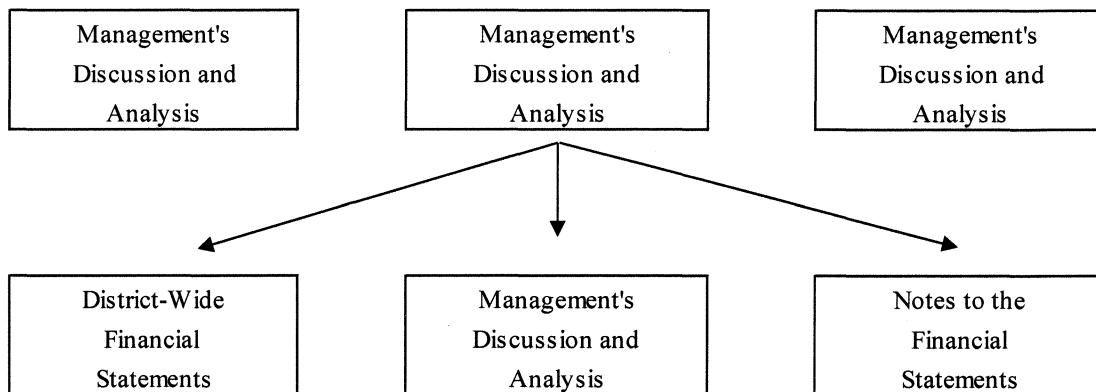


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food, transportation, summer enrichment and technology	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • 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

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$10,323,686 on June 30, 2019, \$1,230,266 or 13.53% more than it was the year before (See Figure A-3). Net position from governmental activities increased \$909,856 and net position from business-type activities increased by \$320,410 (See Figure A-4). Net investment in capital assets increased \$718,748, restricted net position decreased \$1,526,997 and unrestricted net position increased \$2,038,688.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019	2018	2019	2018	2019	2018	
Current and							
Other Assets	\$ 4,557,543	\$ 2,995,016	\$1,280,243	\$2,331,923	\$ 5,837,786	\$ 5,326,939	
Capital Assets, Net	15,194,851	13,891,011	3,940,679	2,479,490	19,135,530	16,370,501	
Total Assets	19,752,394	16,886,027	5,220,922	4,811,413	24,973,316	21,697,440	15.10%
Deferred Outflows of Resources	1,666,869	2,353,149	846,049	1,237,455	2,512,918	3,590,604	-30.01%
Other Liabilities	505,265	385,270	242,152	193,525	747,417	578,795	
Long-Term Liabilities	9,236,864	8,588,913	3,974,050	4,586,050	13,210,914	13,174,963	
Total Liabilities	9,742,129	8,974,183	4,216,202	4,779,575	13,958,331	13,753,758	1.49%
Deferred Inflows of Resources	2,108,375	1,606,090	1,095,842	834,776	3,204,217	2,440,866	31.27%
Net Position:							
Net Investment in Capital Assets	12,487,848	13,292,397	3,003,563	1,480,439	15,491,411	14,772,836	
Restricted	1,436,011	2,963,008			1,436,011	2,963,008	
Unrestricted/(Deficit)	(4,355,100)	(7,596,502)	(2,248,636)	(1,045,922)	(6,603,736)	(8,642,424)	
Total Net Position	\$ 9,568,759	\$ 8,658,903	\$ 754,927	\$ 434,517	\$10,323,686	\$ 9,093,420	13.53%

Financial Analysis of the District as a Whole

Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4). The net investment in capital assets increased \$718,748 mainly due to capital additions in governmental and business-type activities along with serial bonds maturities and capital lease maturities in the governmental and business-type activities, which was offset by new capital leases entered into in the governmental and business-type activities as well as depreciation expense in the governmental and business-type activities. The decrease in restricted net position of \$1,526,997 is mainly due to withdrawals related to the capital, maintenance and emergency reserves offset by interest earnings, a deposit at year end to the capital reserve as well as unexpended funds returned from the Capital Projects Fund. The increase in unrestricted net position is due primarily to the expenses related to certain capital projects as well as changes in the net pension liability and related deferred inflows and outflows.

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019	2018	2019	2018	2019	2018	
Revenue:							
Program Revenue:							
Charges for Services	\$ 34,421	\$ 44,857	\$ 4,665,340	\$ 4,841,640	\$ 4,699,761	\$ 4,886,497	
Operating Grants & Contributions	5,641,043	7,249,654	41,610	45,871	5,682,653	7,295,525	
Capital Grants & Contributions	1,022,889	527,542		6,694	1,022,889	534,236	
General Revenue:							
Property Taxes	14,748,585	14,609,541			14,748,585	14,609,541	
Unrestricted Federal & State Aid	3,252,928	3,296,720			3,252,928	3,296,720	
Other	476,015	646,571	2,930	473	478,945	647,044	
Total Revenue	<u>25,175,881</u>	<u>26,374,885</u>	<u>4,709,880</u>	<u>4,894,678</u>	<u>29,885,761</u>	<u>31,269,563</u>	-4.43%
Expenses:							
Instruction	11,859,004	12,052,095			11,859,004	12,052,095	
Pupil & Instruction Services	6,511,489	7,007,776			6,511,489	7,007,776	
Administration and Business	1,819,771	2,228,101			1,819,771	2,228,101	
Maintenance & Operations	1,955,738	1,340,044			1,955,738	1,340,044	
Transportation	1,247,169	1,287,053			1,247,169	1,287,053	
Capital Outlay	866,634				866,634		
Other	6,220	548	4,389,470	5,100,521	4,395,690	5,101,069	
Total Expenses	<u>24,266,025</u>	<u>23,915,617</u>	<u>4,389,470</u>	<u>5,100,521</u>	<u>28,655,495</u>	<u>29,016,138</u>	-1.24%
Change in Net Position	<u>\$ 909,856</u>	<u>\$ 2,459,268</u>	<u>\$ 320,410</u>	<u>\$ (205,843)</u>	<u>\$ 1,230,266</u>	<u>\$ 2,253,425</u>	-45.40%

Governmental Activities

The governmental activities financial position of the District increased by 10.51%. However, maintaining existing programs related to regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District's resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased special education programs and increased health benefit costs. As a result, the five municipalities in the regional district were subject to a tax increase in fiscal 2019.

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

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

Figure A-5

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	\$ 11,859,004	12,052,095	\$ 7,684,774	\$ 7,263,860
Pupil & Instruction Services	6,511,489	7,007,776	5,496,557	5,389,978
Administration and Business	1,819,771	2,228,101	1,521,784	1,728,402
Maintenance & Operations	1,955,738	1,340,044	775,456	543,878
Transportation	1,247,169	1,287,053	1,216,247	1,166,898
Capital Outlay	866,634		866,634	
Other	6,220	548	6,220	548
Total	<u>\$ 24,266,025</u>	<u>\$ 23,915,617</u>	<u>\$ 17,567,672</u>	<u>\$ 16,093,564</u>

Business-Type Activities

Net position in the District's business-type activities increased by \$320,410. (Refer to Figure A-4). Factors contributing to these results included:

- Food Service Fund net position decreased by \$11,788.
- Transportation Fund net position increased by \$342,276 due primarily to changes in the net pension liability and related deferred inflows and outflows and decreases in depreciation. There continues to be a limited pool of bus drivers.
- Technology Service Fund net position decreased by \$10,078 due to changes in the net pension liability and related deferred inflows and outflows.

Financial Analysis of the District's Funds

The District's financial position in the General Fund decreased primarily due to use of capital reserve funds for capital projects. There were also changes in the student population and difficult economic times which have affected fund balance. Expenditures during the recent year increased.

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

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

General Fund Budgetary Highlights

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

Capital Assets and Long-Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019	2018	2019	2018	2019	2018	
Land	\$ 36,845	\$ 36,845			\$ 36,845	\$ 36,845	
Construction in Progress	161,055		\$ 1,189,919		1,350,974		
Site Improvements	1,289,297	1,354,885			1,289,297	1,354,885	
Buildings & Bldg. Imps.	12,905,884	11,653,081	102,850	\$ 107,525	13,008,734	11,760,606	
Machinery, Furniture and Equipment	770,508	846,200	263,478	287,763	1,033,986	1,133,963	
Buses and Other Vehicles	31,262		2,384,432	2,084,202	2,415,694	2,084,202	
Total	\$15,194,851	\$13,891,011	\$3,940,679	\$ 2,479,490	\$19,135,530	\$16,370,501	16.89%

The District's Capital Assets increased \$2,765,029 or 16.89 percent, on a district-wide basis. (More detailed information about the District's Capital Assets is presented on Note 8 to the basic financial statements.)

Long-Term Liabilities

Figure A-7

Outstanding Long-Term Liabilities

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2019	2018	2019	2018	2019	2018	
Compensated Absences Payable	\$ 877,912	\$ 869,428	\$ 99,295	\$ 103,092	\$ 977,207	\$ 972,520	
Net Pension Liability	5,651,949	6,702,956	2,937,639	3,483,907	8,589,588	10,186,863	
Serial Bonds Payable		530,000				530,000	
Unamortized Bond Premium		32,244				32,244	
Capital Leases Payable	2,707,003	454,285	937,116	999,051	3,644,119	1,453,336	
Total	\$ 9,236,864	\$ 8,588,913	\$3,974,050	\$4,586,050	\$13,210,914	\$13,174,963	0.27%

The District's Long-Term Liabilities increased by \$35,951, on a district-wide basis. (See Note 9 to the basic financial statements for more detailed information about the District's long-term liabilities.)

Factors Bearing on the District's Future

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,599,834	\$ 982,280	\$ 3,582,114
Receivable from State Government	501,838	51	501,889
Receivable from Federal Government	13,027	784	13,811
Receivable from Other Governments	13,687	291,600	305,287
Other Receivables	2,100		2,100
Interfund Receivable	5,000		5,000
Inventories		5,528	5,528
Restricted Assets:			
Cash and Cash Equivalents	1,422,057		1,422,057
Capital Assets:			
Site (Land) and Construction in Progress	197,900	1,189,919	1,387,819
Depreciable Site Improvements, Building and Building Improvements and Machinery, Furniture, Equipment, Buses and Other Vehicles	14,996,951	2,750,760	17,747,711
Total Assets	19,752,394	5,220,922	24,973,316
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,666,869	846,049	2,512,918
Total Deferred Outflows of Resources	1,666,869	846,049	2,512,918
LIABILITIES			
Current Liabilities:			
Accounts Payable	469,911	152,512	622,423
Contracts Payable		78,441	78,441
Unearned Revenue	35,354	11,199	46,553
Noncurrent Liabilities:			
Due Within One Year	572,424	571,099	1,143,523
Due Beyond One Year	8,664,440	3,402,951	12,067,391
Total Liabilities	9,742,129	4,216,202	13,958,331
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,108,375	1,095,842	3,204,217
Total Deferred Inflows of Resources	2,108,375	1,095,842	3,204,217
NET POSITION			
Net Investment in Capital Assets	12,487,848	3,003,563	15,491,411
Restricted for:			
Capital Projects	1,099,538		1,099,538
Maintenance Reserve	127,800		127,800
Emergency Reserve	194,719		194,719
Other Purposes	13,954		13,954
Unrestricted/(Deficit)	(4,355,100)	(2,248,636)	(6,603,736)
Total Net Position	\$ 9,568,759	\$ 754,927	\$ 10,323,686

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 8,713,124	\$ 34,421	\$ 2,552,652		\$ (6,160,472)		\$ (6,160,472)
Special Education	2,040,912		1,587,157		(419,334)		(419,334)
Other Instruction	2,265				(2,265)		(2,265)
School Sponsored Instruction	1,102,703				(1,102,703)		(1,102,703)
Support Services:							
Tuition	1,306,571				(1,306,571)		(1,306,571)
Student & Instruction Related Services	5,204,918		1,014,932		(4,189,986)		(4,189,986)
General Administration Services	503,152		45,429		(457,723)		(457,723)
School Administration Services	767,067		190,303		(576,764)		(576,764)
Central Services	543,325		62,255		(481,070)		(481,070)
Administration Information Technology	6,227				(6,227)		(6,227)
Plant Operations and Maintenance	1,955,738		157,393	\$ 1,022,889	(775,456)		(775,456)
Pupil Transportation	1,247,169		30,922		(1,216,247)		(1,216,247)
Capital Outlay	866,634				(866,634)		(866,634)
Interest on Long-Term Debt	6,220				(6,220)		(6,220)
Total Governmental Activities	24,266,025	34,421	5,641,043	1,022,889	(17,567,672)	\$ -0-	(17,567,672)

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 320,632	\$ 264,304	\$ 41,610		\$ (14,718)	\$ (14,718)	\$ (14,718)
Transportation	3,822,210	4,164,486			342,276	342,276	342,276
Technology Services	246,628	236,550			(10,078)	(10,078)	(10,078)
Total Business-Type Activities	4,389,470	4,665,340	41,610	-0-	317,480	317,480	317,480
Total Primary Government	\$ 28,655,495	\$ 4,699,761	\$ 5,682,653	\$ 1,022,889	(17,567,672)	317,480	(17,250,192)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					14,197,385		14,197,385
Taxes Levied for Debt Service					551,200		551,200
Federal and State Aid not Restricted					3,252,928		3,252,928
Investment Earnings					11,306	597	11,903
Rents and Royalties					306,694		306,694
Miscellaneous Income					158,015	2,333	160,348
Total General Revenue					18,477,528	2,930	18,480,458
Change in Net Position					909,856	320,410	1,230,266
Net Position - Beginning					8,658,903	434,517	9,093,420
Net Position - Ending					\$ 9,568,759	\$ 754,927	\$ 10,323,686

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

FUND FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and Cash Equivalents	\$ 441,611	\$ 25,767	\$ 2,132,456	\$ 2,599,834
Interfund Receivable	12,416			12,416
Receivable from State Government	287,933		213,905	501,838
Receivable from Federal Government		13,027		13,027
Receivable from Other Governments	13,687			13,687
Other Receivables	2,100			2,100
Restricted Cash and Cash Equivalents	1,422,057			1,422,057
Total Assets	<u>\$2,179,804</u>	<u>\$ 38,794</u>	<u>\$ 2,346,361</u>	<u>\$ 4,564,959</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable:				
Vendors	\$ 159,884	\$ 3,440		\$ 163,324
Interfund Payable			\$ 7,416	7,416
Unearned Revenue		35,354		35,354
Total Liabilities	<u>159,884</u>	<u>38,794</u>	<u>7,416</u>	<u>206,094</u>
Fund Balances:				
Restricted:				
Excess Surplus	13,954			13,954
Capital Reserve Account	1,099,538			1,099,538
Maintenance Reserve Account	127,800			127,800
Emergency Reserve Account	194,719			194,719
Committed:				
Capital Projects			2,338,945	2,338,945
Assigned:				
Encumbrances	97,671			97,671
Subsequent Year's Expenditures	200,000			200,000
Unassigned	286,238			286,238
Total Fund Balances/(Deficit)	<u>2,019,920</u>	<u>-0-</u>	<u>2,338,945</u>	<u>4,358,865</u>
Total Liabilities and Fund Balances	<u>\$2,179,804</u>	<u>\$ 38,794</u>	<u>\$ 2,346,361</u>	
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are different because:				
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.				15,194,851
Long-Term Liabilities, including the Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(9,236,864)
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:				
Deferred Outflows				1,360,282
Deferred Inflows				<u>(2,108,375)</u>
Net Position of Governmental Activities				<u>\$ 9,568,759</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 14,197,385			\$ 551,200	\$ 14,748,585
Tuition from Individuals	34,421				34,421
Tuition from Other LEA's Within the State	306,694				306,694
Rents and Royalties	3,890				3,890
Interest Earned on Capital Reserve Funds	158,015	\$ 61,093	\$ 7,416		226,524
Miscellaneous	14,700,405	61,093	7,416	551,200	15,320,114
Total - Local Sources	6,541,643	7,289	1,022,889		7,571,821
State Sources		212,373			212,373
Federal Sources					
Total Revenue	21,242,048	280,755	1,030,305	551,200	23,104,308
EXPENDITURES:					
Current:					
Regular Instruction	4,543,125	117,616			4,660,741
Special Education Instruction	956,904	163,139			1,120,043
Other Instruction	2,265				2,265
School Sponsored Instruction	1,094,785				1,094,785
Support Services and Undistributed Costs:					
Tuition	1,306,571				1,306,571
Student & Instruction Related Services	2,808,608				2,808,608
General Administration Services	339,764				339,764
School Administration Services	424,994				424,994
Central Services	349,072				349,072
Administrative Information Technology					
Plant Operations and Maintenance	1,498,648				1,498,648
Pupil Transportation	1,199,273				1,199,273
Unallocated Benefits	5,717,864				5,717,864

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Capital Outlay	\$ 2,864,506		\$ 457,625		\$ 3,322,131
Debt Service:					
Interest and Other Charges				\$ 21,200	21,200
Principal				530,000	530,000
Total Expenditures	<u>23,106,379</u>	<u>\$ 280,755</u>	<u>457,625</u>	<u>551,200</u>	<u>24,395,959</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>(1,864,331)</u>		<u>572,680</u>		<u>(1,291,651)</u>
OTHER FINANCING SOURCES/(USES):					
Capital Leases (Non-Budgeted)	231,053		2,500,000		2,731,053
Transfers In/(Out)	37,518		(37,518)		
Total Other Financing Sources/(Uses)	<u>268,571</u>		<u>2,462,482</u>		<u>2,731,053</u>
Net Change in Fund Balances	<u>(1,595,760)</u>		<u>3,035,162</u>		<u>1,439,402</u>
Fund Balance/(Deficit) — July 1	<u>3,615,680</u>		<u>(696,217)</u>		<u>2,919,463</u>
Fund Balance — June 30	<u>\$ 2,019,920</u>	<u>\$ -0-</u>	<u>\$ 2,338,945</u>	<u>\$ -0-</u>	<u>\$ 4,358,865</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 1,439,402
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p>	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	1,303,840
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(8,484)
In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due.	9,717
Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	(2,731,053)
Repayments of capital leases and bond principal are expenditures in the Governmental Funds, but the repayments reduce Long-Term Liabilities in the Statement of Net Position and are not reported in the Statement of Activities.	1,008,335
The Governmental Funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	32,244
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	1,051,007
Changes in Deferred Outflows	(692,867)
Changes in Deferred Inflows	(502,285)
Change in Net Position of Governmental Activities (A-2)	\$ 909,856

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 972,015	\$ 10,265	\$ 982,280
Intergovernmental Accounts Receivable:			
State		51	51
Federal		784	784
Other	291,600		291,600
Inventories		5,528	5,528
Total Current Assets	<u>1,263,615</u>	<u>16,628</u>	<u>1,280,243</u>
Non-Current Assets:			
Construction in Progress	1,189,919		1,189,919
Capital Assets:			
Depreciable Buildings and Building Improvements, Machinery, Furniture, Equipment, Buses and Other Vehicles	6,139,040	207,100	6,346,140
Less: Accumulated Depreciation	<u>(3,414,562)</u>	<u>(180,818)</u>	<u>(3,595,380)</u>
Total Non-Current Assets	<u>3,914,397</u>	<u>26,282</u>	<u>3,940,679</u>
Total Assets	<u>5,178,012</u>	<u>42,910</u>	<u>5,220,922</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	721,097	124,952	846,049
Total Deferred Outflows of Resources	<u>721,097</u>	<u>124,952</u>	<u>846,049</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	122,655	29,857	152,512
Contracts Payable	78,441		78,441
Unearned Revenue - Prepaid Balances		9,192	9,192
Unearned Revenue - Donated Commodities		2,007	2,007
Total Current Liabilities	<u>201,096</u>	<u>41,056</u>	<u>242,152</u>
Long-Term Liabilities:			
Capital Leases - Due Within One Year	571,099		571,099
Capital Leases - Due Beyond One Year	366,017		366,017
Compensated Absences - Due Beyond One Year	99,295		99,295
Net Pension Liability - Due Beyond One Year	2,542,518	395,121	2,937,639
Total Long-Term Liabilities	<u>3,578,929</u>	<u>395,121</u>	<u>3,974,050</u>
Total Liabilities	<u>3,780,025</u>	<u>436,177</u>	<u>4,216,202</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	948,448	147,394	1,095,842
Total Deferred Inflows of Resources	<u>948,448</u>	<u>147,394</u>	<u>1,095,842</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	2,977,281	26,282	3,003,563
Unrestricted/(Deficit)	<u>(1,806,645)</u>	<u>(441,991)</u>	<u>(2,248,636)</u>
Total Net Position/(Deficit)	<u>\$ 1,170,636</u>	<u>\$ (415,709)</u>	<u>\$ 754,927</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 131,800	\$ 131,800
Daily Sales - Non-Reimbursable Programs		132,504	132,504
Charges and Program Fees	\$ 4,164,486	236,550	4,401,036
Miscellaneous		2,333	2,333
Total Operating Revenue	4,164,486	503,187	4,667,673
Operating Expenses:			
Cost of Sales - Reimbursable Programs		70,873	70,873
Cost of Sales - Non-Reimbursable Programs		60,695	60,695
Salaries, Benefits & Payroll Taxes	2,701,540	391,101	3,092,641
Supplies and Materials	192,559		192,559
Management Fee		9,191	9,191
Other Purchased Services	230,166		230,166
Miscellaneous Expenses	12,109	30,082	42,191
Interest Expense on Capital Leases	18,157		18,157
Insurance	93,619		93,619
Gasoline	314,201		314,201
Depreciation Expense	259,859	5,318	265,177
Total Operating Expenses	3,822,210	567,260	4,389,470
Operating Loss	342,276	(64,073)	278,203
Non-Operating Income:			
Local Sources			
Interest Income		597	597
State Sources:			
State School Lunch Program		1,951	1,951
Federal Sources:			
National School Lunch Program		26,615	26,615
School Breakfast Program		3,063	3,063
Food Distribution Program		9,981	9,981
Total Non-Operating Income		42,207	42,207
Change in Net Position	342,276	(21,866)	320,410
Net Position/(Deficit) - Beginning of Year	828,360	(393,843)	434,517
Net Position/(Deficit) - End of Year	\$ 1,170,636	\$ (415,709)	\$ 754,927

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Transportation Services Major Fund	Total Non-Major Funds	Total All Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 4,213,529	\$ 504,105	\$ 4,717,634
Payments to/for Employees	(2,631,553)	(236,550)	(2,868,103)
Payments to Vendors	(870,250)	(275,981)	(1,146,231)
Payments for Miscellaneous Expenses		(30,702)	(30,702)
Net Cash Provided by/(Used for) Operating Activities	<u>711,726</u>	<u>(39,128)</u>	<u>672,598</u>
Cash Flows from Investing Activities:			
Interest Income		597	597
Net Cash Provided by Investing Activities		<u>597</u>	<u>597</u>
Cash Flows from Noncapital Financing Activities:			
Interfunds Returned	696,217		696,217
Federal Reimbursements in Food Service Fund		29,676	29,676
State Reimbursements in Food Service Fund		1,942	1,942
Net Cash Provided by Noncapital Financing Activities	<u>696,217</u>	<u>31,618</u>	<u>727,835</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(25,430)	(2,700)	(28,130)
Construction in Progress Purchases	(1,111,478)		(1,111,478)
Capital Lease Principal Payments	(570,252)		(570,252)
Net Cash Used for Capital and Related Financing Activities	<u>(1,707,160)</u>	<u>(2,700)</u>	<u>(1,709,860)</u>
Net (Decrease) in Cash and Cash Equivalents	(299,217)	(9,613)	(308,830)
Cash and Cash Equivalents, July 1	<u>1,271,232</u>	<u>19,878</u>	<u>1,291,110</u>
Cash and Cash Equivalents, June 30	<u>\$ 972,015</u>	<u>\$ 10,265</u>	<u>\$ 982,280</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Loss	\$ 342,276	\$ (64,073)	\$ 278,203
Adjustment to Reconcile Operating Loss to Cash Provided by/(Used for) Operating Activities:			
Depreciation	259,859	5,318	265,177
Food Distribution Program		9,981	9,981
Changes in Assets and Liabilities:			
(Increase) in Inventory		(2,437)	(2,437)
Decrease in Intergovernmental Accounts Receivable - Other	49,042	40	49,082
(Decrease) in Net Pension Liability	(472,793)	(73,475)	(546,268)
Decrease in Deferred Outflows - Pensions	349,507	41,899	391,406
Increase in Deferred Inflows - Pensions	225,952	35,114	261,066
Increase/(Decrease) in Accounts Payable	(38,037)	6,540	(31,497)
Decrease) in Other Current Liabilities	(283)		(283)
(Decrease) in Compensated Absences Payable	(3,797)		(3,797)
(Decrease) in Unearned Revenue		1,965	1,965
Net Cash Provided By/(Used for) Operating Activities	<u>\$ 711,726</u>	<u>\$ (39,128)</u>	<u>\$ 672,598</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$11,067 and utilized \$9,981 for the fiscal year ended June 30, 2019.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency	Flexible Spending Trust	Unemployment Compensation Trust	Private Purpose Scholarship Trust
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 384,389	\$ 6,126	\$ 138,089	\$ 28,457
Total Assets	384,389	6,126	138,089	28,457
<u>LIABILITIES:</u>				
Accrued Salaries and Wages	282,480			
Payroll Deductions and Withholdings	7,294			
Due to Student Groups	89,615			
Interfund Payable - General Fund	5,000			
Total Liabilities	384,389			
<u>NET POSITION:</u>				
Held in Trust for:				
Flexible Spending Claims		6,126		
Unemployment Claims			138,089	
Scholarships				28,457
Total Net Position	\$ -0-	\$ 6,126	\$ 138,089	\$ 28,457

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Flexible Spending Trust	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Members	\$ 28,840	\$ 17,171	
Donations			\$ 8,841
Total Contributions	<u>28,840</u>	<u>17,171</u>	<u>8,841</u>
Investment Earnings:			
Interest	194	1,861	
Net Investment Earnings	<u>194</u>	<u>1,861</u>	
Total Additions	<u>29,034</u>	<u>19,032</u>	<u>8,841</u>
DEDUCTIONS:			
Unemployment Compensation Claims		25,846	
Flexible Spending Claims	27,938		
Scholarship Payments			17,088
Total Deductions	<u>27,938</u>	<u>25,846</u>	<u>17,088</u>
Change in Net Position	1,096	(6,814)	(8,247)
Net Position - Beginning of the Year	<u>5,030</u>	<u>144,903</u>	<u>36,704</u>
Net Position - End of the Year	<u>\$ 6,126</u>	<u>\$ 138,089</u>	<u>\$ 28,457</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary funds:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 21,227,778	\$ 271,616
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP Basis does not.		
Prior Year Encumbrances		9,139
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	397,649	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	<u>(383,379)</u>	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	<u>\$ 21,242,048</u>	<u>\$ 280,755</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,106,379	\$ 271,616
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		<u>9,139</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	<u>\$ 23,106,379</u>	<u>\$ 280,755</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

	<u>Capital Projects Fund Revenue</u>
Revenue and Other Financing Sources per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 2,488,535
Reconciliation to Governmental Funds Statements (GAAP): SDA Grants Revenue Recognized on a GAAP Basis	<u>1,041,770</u>
Revenue and Other Financing Sources per Governmental Funds (GAAP)	<u>\$ 3,530,305</u>

E. Cash and Cash Equivalents and Investments:

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

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over a ten-month academic year the option to have their salaries evenly disbursed over the entire twelve month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2019, the amount earned by these employees but not disbursed was \$282,480.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$2,019,920 General Fund balance at June 30, 2019, \$13,954 is restricted for current year excess surplus, and will be included as anticipated revenue for the fiscal year ended June 30, 2021. \$97,671 is assigned for encumbrances; \$200,000 is assigned for subsequent year's expenditures; \$1,099,538 is restricted in the capital reserve account; \$127,800 is restricted in the maintenance reserve account; \$194,719 is restricted in the emergency reserve account; and \$286,238 is unassigned which is \$383,379 less than the calculated budgetary unassigned fund balance due to the last two June state aid payments, which are not recognized on the GAAP basis until the fiscal year ended June 30, 2020.

Capital Projects Fund: The \$2,338,945 fund balance in the Capital Projects Fund at June 30, 2019, is committed.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2019 as detailed above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$383,379 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last two state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

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

Q. Deficit Net Position/Fund Balances:

The District had a deficit in unrestricted net position in governmental activities and in business-type activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred inflows and outflows as well as the compensated absences liability. The deficit in unrestricted business-type activities net position is due primarily to the net pension liability and related deferred inflows and outflows. The District also had deficits in the Transportation and Technology Service Enterprise Funds unrestricted net positions due primarily to the net pension liability and related deferred inflows and outflows. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2019 related to pensions.

The District had deferred inflows of resources at June 30, 2019 related to pensions.

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

R. Net Position (Cont'd)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had committed resources in the Capital Projects Fund at June 30, 2019.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2019.

T. Operating Revenue and Expenses:

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

U. Revenue - Exchange and Nonexchange Transactions:

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

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

V. Management Estimates:

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

W. Pensions

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments (Cont'd)

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of fund in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments (Cont'd)

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

As of June 30, 2019, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 4,139,175	\$ 1,422,057	\$ 5,561,232
	\$ 4,139,175	\$ 1,422,057	\$ 5,561,232

During

the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2019, was \$5,561,232 and the bank balance was \$5,885,557.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the Capital Reserve Account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a District can increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the Capital Reserve Account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance at July 1, 2018	\$ 2,504,708
Interest Earnings	3,890
Unexpended Funds Returned - Capital Projects Fund	30,102
Unexpended Funds - Capital Outlay	68,156
Deposit by Board Resolution June 24, 2019	700,000
Budgeted Withdrawal	<u>(2,207,318)</u>
Ending Balance at June 30, 2019	<u>\$ 1,099,538</u>

The balance in the Capital Reserve Account at June 30, 2019 does not exceed the local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan ("LRFP"). The withdrawals from the Capital reserve Account were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the Maintenance Reserve Account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance at July 1, 2018	\$	208,300
Budgeted Withdrawal		<u>(80,500)</u>
Ending Balance at June 30, 2019	\$	<u>127,800</u>

NOTE 6. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the Emergency Reserve Account for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance at July 1, 2018	\$	250,000
Transfer authorized by Board Resolution July, 30, 2018		<u>(55,281)</u>
Ending Balance at June 30, 2019	\$	<u>194,719</u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2019, the District transferred \$22,209 to capital outlay accounts for the acquisition of equipment which does not require approval of the County Superintendent.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the fiscal year ended June 30, 2019 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 36,845			\$ 36,845
Construction in Progress		\$ 189,752	\$ (28,697)	161,055
Total Capital Assets not being Depreciated	<u>36,845</u>	<u>189,752</u>	<u>(28,697)</u>	<u>197,900</u>
Capital Assets being Depreciated:				
Site Improvements	2,883,045	22,856		2,905,901
Buildings and Building Improvements	21,421,783	1,575,252	28,697	23,025,732
Machinery and Equipment	1,679,270	24,748		1,704,018
Buses and Other Vehicles	19,000	35,728		54,728
Total Capital Assets being Depreciated	<u>26,003,098</u>	<u>1,658,584</u>	<u>28,697</u>	<u>27,690,379</u>
Governmental Activities Capital Assets	<u>26,039,943</u>	<u>1,848,336</u>		<u>27,888,279</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,528,160)	(88,444)		(1,616,604)
Buildings and Building Improvements	(9,768,702)	(351,146)		(10,119,848)
Machinery and Equipment	(833,070)	(100,440)		(933,510)
Buses and Other Vehicles	(19,000)	(4,466)		(23,466)
Total Accumulated Depreciation	<u>(12,148,932)</u>	<u>(544,496)</u>		<u>(12,693,428)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 13,891,011</u>	<u>\$ 1,303,840</u>	<u>\$ - 0 -</u>	<u>\$ 15,194,851</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Construction in Progress		\$ 1,189,919		\$ 1,189,919
Buildings and Building Improvements	\$ 374,000			374,000
Furniture and Equipment	515,978	23,263		539,241
Buses & Other Vehicles	5,067,373	513,184	\$ (147,658)	5,432,899
Less Accumulated Depreciation	(3,477,861)	(265,177)	147,658	(3,595,380)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,479,490</u>	<u>\$ 1,461,189</u>	<u>\$ - 0 -</u>	<u>\$ 3,940,679</u>
Total Governmental/Business-type Activities	<u>\$ 16,370,501</u>	<u>\$ 2,765,029</u>	<u>\$ - 0 -</u>	<u>\$ 19,135,530</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	181,443
Special Education Instruction		38,216
Other Instruction		8,256
Student and Instruction Related Services		164,350
General Administrative Services		13,569
School Administrative Services		16,973
Central Services		13,941
Plant Operations and Maintenance		59,852
Pupil Transportation		47,896
		<hr/>
Total Depreciation	\$	<u>544,496</u>

The District expended \$1,379,671 towards construction projects in progress and transferred \$28,697 of completed capital projects to depreciable capital assets during the fiscal year. As of June 30, 2019, the District has \$2,338,945 in active construction projects.

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Issued/ Accrued	Matured/ Retired	Balance 6/30/2019
Governmental Activities:				
Capital Lease Payable	\$ 454,285	\$ 2,731,053	\$ 478,335	\$ 2,707,003
Serial Bonds Payable	530,000		530,000	
Unamortized Bond Premium	32,244		32,244	
Net Pension Liability	6,702,956		1,051,007	5,651,949
Compensated Absences Payable	869,428	8,484		877,912
		<hr/>	<hr/>	<hr/>
Total Governmental Activities	<u>\$ 8,588,913</u>	<u>\$ 2,739,537</u>	<u>\$ 2,091,586</u>	<u>\$ 9,236,864</u>
Business-Type Activities:				
Capital Leases Payable	\$ 999,051	\$ 508,317	\$ 570,252	\$ 937,116
Net Pension Liability	3,483,907		546,268	2,937,639
Compensated Absences Payable	103,092		3,797	99,295
		<hr/>	<hr/>	<hr/>
Total Business-Type Activities	<u>\$ 4,586,050</u>	<u>\$ 508,317</u>	<u>\$ 1,120,317</u>	<u>\$ 3,974,050</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

A. Bonds Payable:

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

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

The District had no bonds outstanding as of June 30, 2019 as, the bonds finally matured during the fiscal year ended June 30, 2019

B. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The District had no unamortized bond issuance premium as of June 30, 2019.

C. Bonds Authorized But Not Issued:

There were no bonds authorized but not issued as of June 30, 2019.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. No portion of the compensated absences balance of the governmental funds at June 30, 2019 is currently payable; therefore, the long-term portion of compensated absences is \$877,912.

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, 2019, the liability for compensated absences in the Transportation Enterprise Fund is \$99,295 and will be liquidated by this fund. No portion is currently payable.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

E. Capital Leases:

The District has capital leases related to technology equipment, school buses and other transportation vehicles as well as a window replacement project. The District has entered into capital leases totaling \$4,633,980 of which \$1,926,977 has been liquidated as of June 30, 2019 for governmental activities. The District has entered into capital leases totaling \$2,340,004 of which \$1,402,888 has been liquidated as of June 30, 2019 for business-type activities. A schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2019 is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
2020	\$ 632,298	\$ 591,656
2021	597,182	245,357
2022	597,182	134,200
2023	536,182	
2024	536,181	
	<u>2,899,025</u>	<u>971,213</u>
Less: Amount representing interest	<u>(192,022)</u>	<u>(34,097)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 2,707,003</u>	<u>\$ 937,116</u>

The current portion for governmental leases is \$572,424 and the long-term portion is \$2,134,579. The current portion for business-type leases is \$571,099 and the long-term portion is \$366,017. The General Fund will liquidate the governmental activities capital leases and the Transportation Enterprise Fund will liquidate the business-type activities capital leases.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental activities is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The PERS net pension liability of the business-type activities is recorded in the current and long-term liabilities and will be liquidated by the Transportation and Technology Services Funds. The current portion of the net pension liability at June 30, 2019 is \$-0- and the long-term portion is \$8,589,588 (\$5,651,949 and \$2,937,639 for governmental and business-type activities, respectively). See Note 10 for further information on the PERS.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Continued)

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

in level annual payments over a period of 15 years, which began 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 \$433,930 for 2019.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the District's liability was \$8,589,588 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.043%, which was a decrease of 0.00014% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$652,996. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the following page.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 67,987	
	2015	5.72	306,853	
	2016	5.57	1,040,582	
	2017	5.48		\$ (1,583,427)
	2018	5.63		(1,163,067)
			<u>1,415,422</u>	<u>(2,746,494)</u>
Changes in Proportion	2014	6.44	62,533	
	2015	5.72	320,762	
	2016	5.57	104,775	
	2017	5.48		(307,675)
	2018	5.63		(25,186)
			<u>488,070</u>	<u>(332,861)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		51,904
	2016	5.00		290,169
	2017	5.00		(261,167)
	2018	5.00		(161,477)
				<u>(80,571)</u>
Difference Between Expected and Actual Experience	2015	5.72	85,135	
	2016	5.57	31,579	
	2017	5.48	47,091	
	2018	5.63		(44,291)
			<u>163,805</u>	<u>(44,291)</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	445,621	
			<u>\$ 2,512,918</u>	<u>\$ (3,204,217)</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 59,615
2020	(82,540)
2021	(591,876)
2022	(513,046)
2023	(164,282)
	\$ (1,292,129)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent modified 2014 projection scale thereafter. 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, 2017 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,

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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, 2018) 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, 2018 are summarized in the table on the following page.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The figure on the following page presents the District's proportionate share of the collective net pension liability as of June 30, 2018 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, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 10,800,418	\$ 8,589,588	\$ 6,734,844

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Plan Description (Cont'd)

incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensionsfinancial-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.

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 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation

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 2019, the State of New Jersey contributed \$1,289,381 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,376,394

The employee contribution rate was 7.50% effective July 1, 2018. Subsequent increases after October 1, 2011 were 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, 2019, the State's proportionate share of the net pension liability associated with the District was \$40,763,914. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.064%, which was a decrease of 0.00016% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>40,763,914</u>
Total	<u>\$ 40,763,914</u>

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$2,376,394 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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)

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.5	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2018	8.29		5,994,557,085
			<u>11,053,759,853</u>	<u>16,078,750,001</u>
Difference Between Expected and Actual Experience	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
			<u>1,420,239,017</u>	<u>96,229,812</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5		(192,642,062)
	2016	5		(863,710,381)
	2017	5		678,024,787
	2018	5		384,121,486
				<u>5,793,830</u>
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 50% 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 2040. Therefore, the long-term expected rate of return on pension 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The table on the following page presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2018		
	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 48,182,172	\$ 40,763,914	\$ 34,614,359

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 \$35,676.87 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$65,407.10 for the fiscal year ended June 30, 2019.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 11. RISK MANAGEMENT

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

Property and Liability Insurance

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

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

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

Selected, summarized financial information as of June 30, 2019 was not available as of the date of this report. Selected, summarized financial information as of June 30, 2018 is as follows:

	<u>NJ Schools Insurance Group</u>
Total Assets	<u>\$ 342,337,056</u>
Net Position	<u>\$ 82,580,855</u>
Total Revenue	<u>\$ 133,258,299</u>
Total Expenses	<u>\$ 129,340,074</u>
Change in Net Position	<u>\$ 3,918,225</u>
Members Dividends	<u>\$ -0-</u>

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

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

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 19,032	\$ 25,846	\$ 138,089
2017-2018	23,707	16,622	144,903
2016-2017	23,061	33,974	137,818

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. DEFERRED COMPENSATION

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Grant Programs

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

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds:

<u>General Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 97,671</u>	<u>\$ 97,671</u>

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as of June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 12,416	
Capital Projects Fund		\$ 7,416
Fiduciary Fund - Payroll Agency		5,000
	<u>\$ 12,416</u>	<u>\$ 12,416</u>

The interfund receivable in the General Fund is comprised of a prior year interfund advanced to the Net Payroll account which was not settled as well as interest earned in the Capital Projects Fund due to the General Fund.

NOTE 16. TAX CALENDAR

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. ACCOUNTS PAYABLE

Accounts payable recorded in the District’s Governmental and Business-Type activities as of June 30, 2019 consisted of the following:

	<u>Governmental Funds</u>		District	Total	Business-Type
	General Fund	Special Revenue Fund	Contribution Subsequent to the Measurement Date	Governmental Activities	Activities Proprietary Funds
Vendors	\$ 159,884	\$ 3,440		\$ 163,324	\$ 13,478
State of New Jersey			\$ 306,587	306,587	139,034
	<u>\$ 159,884</u>	<u>\$ 3,440</u>	<u>\$ 306,587</u>	<u>\$ 469,911</u>	<u>\$ 152,512</u>

NOTE 18. 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 Codification Section P50, 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 GASB Codification Section P50. 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Plan Description and Benefits Provided (Cont'd)

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

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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.

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%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Actuarial Assumptions and Other Inputs (Cont'd)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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 rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 40,369,357
Changes for Year:	
Service Cost	1,537,032
Interest on the Total OPEB Liability	1,484,563
Changes of Assumptions	(3,929,805)
Differences between Expected and Actual Experience	(4,331,918)
Gross Benefit Payments by the State	(915,704)
Contributions from Members	31,648
Net Changes	(6,124,184)
Balance at June 30, 2018	\$ 34,245,173

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, 2018, 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, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 40,484,766	\$ 34,245,173	\$ 29,285,341

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, 2018, 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:

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 28,305,630	\$ 34,245,173	\$ 42,100,446

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$1,581,664 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 Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, 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, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (4,159,654)
Changes in Assumptions	2018	9.51		(3,516,576)
Differences Between Expected and Actual Experience			-0-	(7,676,231)
Changes in Proportion	2018	9.51		(3,324,259)
	N/A	N/A		(151,090)
			\$ -0-	\$ (11,151,579)

N/A - Not Available

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2018	\$ (1,355,537)
2019	(1,355,537)
2020	(1,355,537)
2021	(1,355,537)
2022	(1,355,537)
Thereafter	<u>(4,222,807)</u>
	<u>\$ (11,000,490)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's proportion of the net pension liability	0.0392986012%	0.0448400301%	0.0459832922%	0.0437610077%
District's proportionate share of the net pension liability	\$ 7,357,773	\$ 10,065,688	\$ 13,618,932	\$ 10,186,863
District's covered employee payroll	\$ 2,714,262	\$ 3,013,003	\$ 2,908,294	\$ 2,963,231
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	271.08%	334.07%	468.28%	343.78%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%
				53.60%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 323,972	\$ 385,504	\$ 408,509	\$ 405,399	\$ 433,930
Contributions in relation to the contractually required contribution	<u>(323,972)</u>	<u>(385,504)</u>	<u>(408,509)</u>	<u>(405,399)</u>	<u>(433,930)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 2,714,262	\$ 2,714,262	\$ 3,013,003	\$ 2,908,294	\$ 2,963,231
Contributions as a percentage of covered employee payroll	11.94%	14.20%	13.56%	13.94%	14.64%

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

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

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
State's proportion of the net pension liability attributable to the District	0.0629948550%	0.0663410504%	0.0645664376%	0.0642394571%
State's proportionate share of the net pension liability attributable to the District	\$ 33,668,700	\$ 41,930,377	\$ 50,792,071	\$ 43,312,558
District's covered employee payroll	\$ 6,394,597	\$ 6,576,522	\$ 6,583,410	\$ 6,889,355
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	526.52%	637.58%	771.52%	628.69%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%
				26.49%
				601.07%
				0.0640762186%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 1,811,692	\$ 2,560,227	\$ 3,816,317	\$ 3,000,475	\$ 2,376,394
Contributions in relation to the contractually required contribution	<u>(358,664)</u>	<u>(516,944)</u>	<u>(697,303)</u>	<u>(943,617)</u>	<u>(1,289,381)</u>
Contribution deficiency/(excess)	<u>\$ 1,453,028</u>	<u>\$ 2,043,283</u>	<u>\$ 3,119,014</u>	<u>\$ 2,056,858</u>	<u>\$ 1,087,013</u>
District's covered employee payroll	\$ 6,394,597	\$ 6,576,522	\$ 6,583,410	\$ 6,889,355	\$ 6,781,925
Contributions as a percentage of covered employee payroll	28.33%	38.93%	57.97%	43.55%	35.04%

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND REATELD RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2017	2018
Total OPEB Liability		
Service Cost	\$ 1,847,065	\$ 1,537,032
Interest Cost	1,280,474	1,484,563
Differences between Expected and Actual Experience		(4,331,918)
Changes in Assumptions	(5,386,544)	(3,929,805)
Member Contributions	34,431	31,648
Gross Benefit Payments	(935,040)	(915,704)
Net Change in Total OPEB Liability	(3,159,614)	(6,124,184)
Total OPEB Liability - Beginning	43,528,971	40,369,357
Total OPEB Liability - Ending	\$ 40,369,357	\$ 34,245,173
State's Covered Employee Payroll *	\$ 9,491,704	\$ 9,852,586
Total OPEB Liability as a Percentage of Covered Employee Payroll	425%	348%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 census data.

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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 mortality rates utilized in the July 1, 2017 valuation were as follows: 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 Conduent modified 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. 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).

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: 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-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long term trend rate after eight 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 5.8% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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.

BUDGETARY COMPARISON SCHEDULES

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 14,197,385		\$ 14,197,385	\$ 14,197,385	
Tuition from Other LEAs Within the State	24,000		24,000	34,421	\$ 10,421
Rents and Royalties	347,086		347,086	306,694	(40,392)
Interest Earned on Capital Reserve Funds	500		500	3,890	3,390
Unrestricted Miscellaneous Revenues	55,000		55,000	158,015	103,015
Total - Local Sources	14,623,971		14,623,971	14,700,405	76,434
State Sources:					
Categorical Special Education Aid	592,662		592,662	592,662	
Equalization Aid	3,173,700		3,173,700	3,173,700	
Categorical Security Aid	74,763		74,763	74,763	
Categorical Transportation Aid	246,816	\$ (229,525)	17,291	17,291	
Extraordinary Aid				256,500	256,500
Extraordinary Aid - Additional Aid				748	748
Additional Non-Public Transportation Aid				3,770	3,770
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,289,381	1,289,381
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				26,990	26,990
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				597,104	597,104
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,161	1,161
Reimbursed TPAF Social Security Contributions (non-budgeted)				493,303	493,303
Total State Sources	4,087,941	(229,525)	3,858,416	6,527,373	2,668,957
TOTAL REVENUES	18,711,912	(229,525)	18,482,387	21,227,778	2,745,391

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Undistributed Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 3,934,464		\$ 3,934,464	\$ 3,903,129	\$ 31,335
Regular Programs - Home Instruction:					
Salaries of Teachers	30,000		30,000	23,350	6,650
Purchased Professional - Educational Services	15,000	(202)	14,798	8,102	6,696
Other Purchased Services (400-500 Series)	1,000	202	1,202	906	296
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	107,013		107,013	89,714	17,299
Purchased Professional - Educational Services	12,421	(731)	11,690	6,284	5,406
Other Purchased Services (400-500 Series)	382,885	5,665	388,550	285,987	102,563
General Supplies	293,453	(5,270)	288,183	213,713	74,470
Textbooks	12,171	125	12,296	9,319	2,977
Other Objects	8,270	(71)	8,199	2,621	5,578
Total Regular Programs - Instruction	4,796,677	(282)	4,796,395	4,543,125	253,270
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	192,282	(3,204)	189,078	176,624	12,454
Other Salaries for Instruction	6,300	3,204	9,504	9,504	
Other Purchased Services (400-500 Series)	600		600	45	555
General Supplies	2,000	100	2,100	1,615	485
Other Objects	1,000	(100)	900	274	626
Total Multiple Disabilities	202,182		202,182	188,062	14,120

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 806,402		\$ 806,402	\$ 767,089	\$ 39,313
Other Salaries for Instruction	2,000		2,000		2,000
General Supplies	2,000		2,000	1,753	247
Total Resource Room/Resource Center	810,402		810,402	768,842	41,560
Total Special Education Instruction	1,012,584		1,012,584	956,904	55,680
Bilingual Education - Instruction:					
General Supplies	2,000	\$ 325	2,325	2,265	60
Total Bilingual Education - Instruction	2,000	325	2,325	2,265	60
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	195,471		195,471	186,448	9,023
Purchased Services (300-500 Series)	11,900	976	12,876	6,476	6,400
Supplies and Materials	6,060		6,060	228	5,832
Other Objects	16,000	(976)	15,024	11,311	3,713
Total School-Sponsored Cocurricular Activities - Instruction	229,431		229,431	204,463	24,968
School-Sponsored Athletics - Instruction:					
Salaries	648,316		648,316	642,935	5,381
Purchased Services (300-500 Series)	94,915	5,265	100,180	99,289	891
Supplies and Materials	88,245	989	89,234	87,373	1,861
Other Objects	25,442	(3,665)	21,777	20,725	1,052
Transfer to Cover Deficit (Agency Funds)	54,324		54,324	40,000	14,324
Total School-Sponsored Athletics - Instruction	911,242	2,589	913,831	890,322	23,509
Total Instruction	6,951,934	2,632	6,954,566	6,597,079	357,487

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within State - Regular	\$ 14,500	\$ 69,988	\$ 69,988	\$ 69,556	\$ 432
Tuition to Other LEAs Within State - Special	816,821	32,877	47,377	46,650	727
Tuition to County Vocational School District - Regular	121,505	(731)	816,090	808,186	7,904
Tuition to County Vocational School District - Special	288,723	(5,000)	116,505	116,505	
Tuition to Private Schools for the Handicapped - Within State		(23,049)	265,674	265,674	
Total Undistributed Expenditures - Instruction	1,241,549	74,085	1,315,634	1,306,571	9,063
Attendance and Social Work:					
Salaries	21,763	552	22,315	22,315	
Total Attendance and Social Work	21,763	552	22,315	22,315	
Health Services:					
Salaries	152,642	2,170	154,812	153,986	826
Purchased Professional and Technical Services	30,625	1,232	31,857	31,857	
Other Purchased Services (400-500 Series)	1,500	5,000	6,500	3,820	2,680
Supplies and Materials	19,178	(3,954)	15,224	8,813	6,411
Other Objects	385		385	233	152
Total Health Services	204,330	4,448	208,778	198,709	10,069
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	68,127		68,127	67,008	1,119
Purchased Professional - Educational Services	50,000		50,000	42,385	7,615
Supplies and Materials	1,000		1,000	2	998
Total Other Support Services - Speech, OT, PT and Related Services	119,127		119,127	109,395	9,732

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Extraordinary Services:					
Salaries	\$ 395,357	\$ 57,919	\$ 453,276	\$ 408,644	\$ 44,632
Supplies and Materials	1,221	1	1,222	545	677
Total Other Support Services - Students - Extraordinary Services	396,578	57,920	454,498	409,189	45,309
Other Support Services - Guidance:					
Salaries of Other Professional Staff	459,486		459,486	458,612	874
Salaries of Secretarial and Clerical Assistants	99,724		99,724	99,500	224
Other Salaries	20,000	2,503	22,503	22,454	49
Purchased Professional - Educational Services	2,740	(783)	1,957	1,000	957
Other Purchased Professional and Technical Services	53,474	(4,446)	49,028	27,979	21,049
Other Purchased Services (400-500 Series)	8,400		8,400	5,323	3,077
Supplies and Materials	3,000	4,469	7,469	7,469	
Other Objects	700	797	1,497	1,277	220
Total Other Support Services - Guidance	647,524	2,540	650,064	623,614	26,450
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	469,406		469,406	465,822	3,584
Salaries of Secretarial and Clerical Assistants	40,860		40,860	40,804	56
Other Salaries	12,000		12,000	10,901	1,099
Purchased Professional - Technical Services	5,445		5,445	2,799	2,646
Other Purchased Services (400-500 Series)	16,500	(1,000)	15,500	10,315	5,185
Miscellaneous Purchased Services (400-500 series)	400		400	97	303
Supplies and Materials	2,320	1,000	3,320	1,989	1,331
Other Objects	1,000		1,000	820	180
Total Other Support Services - Child Study Team	547,931		547,931	533,547	14,384

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 303,285	\$ (54,375)	\$ 248,910	\$ 247,730	\$ 1,180
Salaries of Other Professional Staff	31,755	345	32,100	32,100	
Salaries of Secretarial and Clerical Assistants	49,862		49,862	49,750	112
Other Purchased Services (400-500 series)	17,400	(345)	17,055	11,747	5,308
Supplies and Materials	2,000		2,000	1,435	565
Other Objects	4,100		4,100	4,100	
Total Improvement of Instructional Services	408,402	(54,375)	354,027	346,862	7,165
Educational Media Services/School Library:					
Salaries	165,953		165,953	165,614	339
Salaries of Technology Coordinators	391,697		391,697	346,514	45,183
Purchased Professional and Technical Services	3,000		3,000	2,075	925
Other Purchased Services (400-500 series)	4,100		4,100	652	3,448
Supplies and Materials	32,325		32,325	29,916	2,409
Other Objects	100		100	65	35
Total Educational Media Services/School Library	597,175		597,175	544,836	52,339
Instructional Staff Training Services:					
Salaries of Other Professional Staff	12,800	368	13,168	13,168	
Purchased Professional - Educational Services	10,400	4,107	14,507	1,616	12,891
Other Purchased Services (400-500 Series)	29,100	(4,475)	24,625	5,357	19,268
Total Instructional Staff Training Services	52,300		52,300	20,141	32,159

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Salaries	\$ 217,293	\$ 351	\$ 217,644	\$ 217,333	\$ 311
Legal Services	35,000	(1,416)	33,584	7,837	25,747
Audit Fees	29,000	1,050	30,050	30,050	
Architectural/Engineering Services	8,000		8,000		8,000
Other Purchased Professional Services	20,235	366	20,601	20,601	
Communications/Telephone	23,500		23,500	18,457	5,043
BOE Other Purchased Services	4,500		4,500	4,389	111
Miscellaneous Purchased Services (400-500 Series)	28,000		28,000	23,146	4,854
General Supplies	8,310	(351)	7,959	6,587	1,372
BOE In-house Training/Meeting Supplies	2,500		2,500	932	1,568
Miscellaneous Expenditures	4,675	(2,500)	2,175	1,645	530
BOE Membership Dues and Fees	11,175		11,175	8,787	2,388
Total Support Services - General Administration	<u>392,188</u>	<u>(2,500)</u>	<u>389,688</u>	<u>339,764</u>	<u>49,924</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	270,848	1,029	271,877	271,877	
Salaries of Secretarial and Clerical Assistants	121,576	240	121,816	121,815	1
Other Salaries	5,000		5,000	5,000	
Purchased Professional and Technical Services	6,125	749	6,874	6,874	
Other Purchased Services (400-500 Series)	2,095	2	2,097	1,662	435
Supplies and Materials	20,050	(2,020)	18,030	15,267	2,763
Other Objects	2,954		2,954	2,499	455
Total Support Services - School Administration	<u>428,648</u>		<u>428,648</u>	<u>424,994</u>	<u>3,654</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 292,402	\$ 5,433	\$ 297,835	\$ 297,826	\$ 9
Purchased Professional Services	17,800	(17,800)	18,100	17,525	575
Purchased Professional Services - Public Relation Costs	22,950	(4,134)	18,816	18,576	240
Purchased Technical Services	7,500	1,200	8,700	8,048	652
Miscellaneous Purchased Services (400-500 Series)	3,487	(1,119)	2,368	2,351	17
Supplies and Materials	4,297		4,297	4,296	1
Interest on Lease Purchase Agreements	2,025	(1,380)	645	450	195
Miscellaneous Expenditures					
Total Central Services	350,461	(17,800)	350,761	349,072	1,689
Required Maintenance of School Facilities:					
Salaries	264,335	(60,278)	204,057	191,689	12,368
Cleaning, Repair and Maintenance Services	181,400	14,029	195,429	195,428	1
Lead Testing of Drinking Water	1,000		1,000		1,000
General Supplies	37,513	(1,500)	36,013	9,397	26,616
Other Objects	2,000		2,000		2,000
Total Required Maintenance of School Facilities	486,248	(47,749)	438,499	396,514	41,985

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 407,790	\$ 54,270	\$ 462,060	\$ 430,598	\$ 31,462
Purchased Professional and Technical Services	20,262	1,205	21,467	21,467	
Cleaning, Repair and Maintenance Services	58,800	(2,887)	55,913	55,483	430
Rental of Land and Bldg. Other than Lease Purchase Agreement	4,800	(2,449)	2,351	1,018	1,333
Insurance	58,000	(9,665)	48,335	40,562	7,773
Miscellaneous Purchased Services	4,500		4,500	1,530	2,970
General Supplies	78,369		78,369	70,059	8,310
Energy (Electricity)	180,000	(26,000)	154,000	138,264	15,736
Energy (Natural Gas)	500		500		500
Energy (Oil)	125,000	(22,521)	102,479	102,479	
Other Objects	1,300		1,300	1,267	33
Total Custodial Services	939,321	(8,047)	931,274	862,727	68,547
Care and Upkeep of Grounds:					
Salaries	124,242	6,436	130,678	130,678	
Cleaning, Repair and Maintenance Services	19,500	(8,292)	11,208	11,208	
General Supplies	32,000	(1,427)	30,573	27,175	3,398
Total Care and Upkeep of Grounds	175,742	(3,283)	172,459	169,061	3,398
Security:					
Purchased Professional and Technical Services	14,924		14,924	10,437	4,487
Cleaning, Repair and Maintenance Services	6,000		6,000		6,000
General Supplies	14,200	55,281	69,481	59,909	9,572
Total Security	35,124	55,281	90,405	70,346	20,059

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services:					
Contracted Services:					
Aid in Lieu Payments - Nonpublic School Students	\$ 10,608	\$ 1,392	\$ 12,000	\$ 11,122	\$ 878
Aid in Lieu Payments - Choice School Students	6,188	812	7,000	5,650	1,350
Other than Between Home and School - Vendors	140,650	(820)	139,830	132,901	6,929
Special Education Students - ESC & CTSA's	330,000	(30,722)	299,278	274,213	25,065
Regular Students - ESC & CTSA's	762,100	2,500	764,600	764,582	18
Special Education Students - Joint Agreements		31,728	31,728	10,805	20,923
Total Student Transportation Services	1,249,546	4,890	1,254,436	1,199,273	55,163
Unallocated Benefits:					
Group Insurance	1,375		1,375	348	1,027
Social Security Contributions	265,000		265,000	258,806	6,194
Other Retirement Contribution - PERS	300,000		300,000	297,865	2,135
Other Retirement Contribution - Regular	3,300	200	3,500	3,365	135
Workmen's Compensation	110,000	499	110,499	110,499	
Health Benefits	2,479,650	(157,782)	2,321,868	2,285,370	36,498
Tuition Reimbursement	38,919	14,784	53,703	43,764	9,939
Other Employee Benefits	232,120	19,316	251,436	250,776	660
Unused Sick Payment to Terminated/Retired Staff	15,000	45,000	60,000	59,132	868
Total Unallocated Benefits	3,445,364	(77,983)	3,367,381	3,309,925	57,456

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				\$ 1,289,381	\$ (1,289,381)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				26,990	(26,990)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				597,104	(597,104)
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,161	(1,161)
Reimbursed TPAF Social Security Contributions (non-budgeted)				493,303	(493,303)
Total On-Behalf and Reimbursed Contributions				2,407,939	(2,407,939)
Total Undistributed Expenses	\$ 11,739,321	\$ (12,021)	\$ 11,745,400	\$ 13,644,794	(1,899,394)
TOTAL GENERAL CURRENT EXPENSE	18,691,255	(9,389)	18,699,966	20,241,873	(1,541,907)
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12		8,413	8,413	6,913	1,500
Administrative Information Technology		9,665	9,665		9,665
Care and Upkeep of Grounds	35,728	4,131	39,859	39,859	
Total Equipment	35,728	22,209	57,937	46,772	11,165

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Legal Services	\$ 8,000		\$ 8,000		\$ 8,000
Construction Services	2,232,454	\$ (69,128)	2,163,326	\$ 2,153,677	9,649
Architectural/Engineering Services	116,483		116,483	65,650	50,833
Supplies and Materials	10,000		10,000	5,551	4,449
Other Purchased Professional and Technical Services	38,691	69,128	107,819	9,059	98,760
Lease Purchase Agreements - Principal	325,763		325,763	325,763	
Assessment for Debt Service on SDA Funding	26,981		26,981	26,981	
Total Facilities Acquisition and Construction Services	2,758,372		2,758,372	2,586,681	171,691
Assets Acquired Under Capital Leases (non-budgeted):					
Regular Instruction				231,053	(231,053)
Total Assets Acquired Under Capital Leases (non-budgeted)				231,053	(231,053)
TOTAL CAPITAL OUTLAY	2,794,100	22,209	2,816,309	2,864,506	(48,197)
TOTAL EXPENDITURES	21,485,355	12,820	21,516,275	23,106,379	(1,590,104)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,773,443)	(242,345)	(3,033,888)	(1,878,601)	1,155,287
Other Financing Sources:					
Capital Leases (non-budgeted)				231,053	231,053
Transfers In:					
Transfer from Capital Projects Fund - Unexpended Balance				30,102	30,102
Transfer from Capital Projects Fund - Interest Earned				7,416	7,416
Total Other Financing Sources				268,571	268,571

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures	\$ (2,773,443)	\$ (242,345)	\$ (3,033,888)	\$ (1,610,030)	\$ 1,423,858
Fund Balance, July 1	4,013,329		4,013,329	4,013,329	
Fund Balance, June 30	<u>\$ 1,239,886</u>	<u>\$ (242,345)</u>	<u>\$ 979,441</u>	<u>\$ 2,403,299</u>	<u>\$ 1,423,858</u>
<u>Recapitulation:</u>					
Restricted:					
Excess Surplus				\$ 13,954	
Capital Reserve				1,099,538	
Maintenance Reserve				127,800	
Emergency Reserve				194,719	
Assigned:					
Year-End Encumbrances				97,671	
Designated for Subsequent Year's Expenditures				200,000	
Unassigned				<u>669,617</u>	
				<u>2,403,299</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(383,379)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,019,920</u>	

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 96,447	\$ 96,447	\$ 61,093	\$ (35,354)
Federal Sources	\$ 174,619	57,503	232,122	210,523	(21,599)
Total Revenues	174,619	153,950	328,569	271,616	(56,953)
EXPENDITURES:					
Instruction:					
Salaries	17,333	71,692	89,025	78,262	10,763
Tuition	148,041	12,525	160,566	160,566	
Other Purchased Services		1,447	1,447		1,447
General Supplies	745	6,283	7,028	6,038	990
Total Instruction	166,119	91,947	258,066	244,866	13,200
Support Services:					
Salaries		3,500	3,500	3,500	
Personal Services - Employee Benefits		1,405	1,405	635	770
Other Purchased Services	8,500	54,454	62,954	22,615	40,339
Supplies and Materials		2,644	2,644		2,644
Other Objects					
Total Support Services	8,500	62,003	70,503	26,750	43,753
Total Expenditures	\$ 174,619	\$ 153,950	\$ 328,569	\$ 271,616	\$ 56,953

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
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	\$ 21,227,778	\$ 271,616
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		9,139
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	397,649	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(383,379)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 21,242,048	\$ 280,755
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 23,106,379	\$ 271,616
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		9,139
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 23,106,379	\$ 280,755

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, 2019 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Elementary and Secondary Education Act			I.D.E.A. Part B, Basic	Other Local Grants	Totals June 30, 2019
	Title I	Title II, Part A	Title III			
REVENUE:						
Local Sources					\$ 61,093	\$ 61,093
Federal Sources	\$ 24,522	\$ 12,724	\$ 571	\$ 12,140	\$ 160,566	210,523
Total Revenue	24,522	12,724	571	12,140	61,093	271,616
EXPENDITURES:						
Instruction:						
Salaries	23,887				54,375	78,262
Tuition					160,566	160,566
General Supplies			571	2,249	3,218	6,038
Total Instruction	23,887		571	2,249	57,593	244,866
Support Services:						
Salaries					3,500	3,500
Personal Services -						
Employee Benefits	635					635
Other Purchased Services		12,724		9,891		22,615
Total Support Services	635	12,724		9,891	3,500	26,750
Total Expenditures	\$ 24,522	\$ 12,724	\$ 571	\$ 12,140	\$ 61,093	\$ 271,616

CAPITAL PROJECTS FUND

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ (18,881)
Capital Lease Purchase Agreement Proceeds	2,500,000
Interest	7,416
	<hr/>
Total Revenue and Other Financing Sources	\$ 2,488,535
Expenditures:	
Legal Services	20,403
Architectural Services	64,346
Construction Services	367,876
Other Purchased Services	5,000
Transfers Out:	
Transfer to General Fund - Unexpended Project Balances	30,102
Transfer to General Fund - Interest Earnings	7,416
	<hr/>
Total Expenditures	495,143
Excess of Revenue and Other Financing Source Over Expenditures	1,993,392
Fund Balance - Beginning Balance	345,553
	<hr/>
Fund Balance - Ending Balance	\$ 2,338,945
	<hr/> <hr/>
<u>Recapitulation of Fund Balance:</u>	
Committed Fund Balance (Budgetary Basis)/GAAP	\$ 2,338,945
	<hr/> <hr/>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
WINDOW REPLACEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Lease Proceeds	\$ 1,562,654		\$ 1,562,654	\$ 1,562,654
State Sources - SDA Grant	1,041,770	\$ (18,881)	1,022,889	1,022,889
Total Revenue and Other Financing Sources	2,604,424	(18,881)	2,585,543	2,585,543
Expenditures and Other Financing Uses:				
Legal Services	15,276	403	15,679	15,679
Architectural Services	184,862	1,807	186,669	186,669
Construction Services	2,030,037	294,360	2,324,397	2,324,397
Other Purchased Services	2,727		2,727	2,727
Supplies and Materials	25,969		25,969	25,969
Transfer to General Fund		30,102	30,102	30,102
Total Expenditures and Other Financing Uses	2,258,871	326,672	2,585,543	2,585,543
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ 345,553	\$ (345,553)	\$ - 0 -	\$ - 0 -

Additional Project Information:

Project Number	10-50-040-14-1002
Grant Date	2/4/2015
Original Authorized Cost	\$ 2,604,424
Additional Authorized Cost	\$ (18,881)
Revised Authorized Cost	\$ 2,585,543
Percentage Decrease over Original Authorized Cost	-1%
Percentage Completion	100%
Original Target Completion Date	6/1/2015
Revised Target Completion Date	6/30/2019

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
CHEMISTRY LAB RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Capital Lease Purchase Agreement Proceeds		\$ 1,129,259	\$ 1,129,259	\$ 1,129,259
Total Revenue and Other Financing Sources		1,129,259	1,129,259	1,129,259
Expenditures:				
Legal Services		9,000	9,000	9,000
Architectural Services		62,539	62,539	88,468
Construction Services		73,516	73,516	2,250
Other Purchased Services		2,250	2,250	1,029,541
Total Expenditures		147,305	147,305	1,129,259
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 981,954	\$ 981,954	\$ - 0 -

Additional Project Information:

Project Number	N/A
Original Authorized Cost	\$ 1,129,259
Reduction in Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 1,129,259
Percentage Decrease over Original Authorized Cost	0.00%
Percentage Completion	13.04%
Original Target Completion Date	8/1/2020

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT/RESTORATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Capital Lease Purchase Agreement Proceeds		\$ 1,370,741	\$ 1,370,741	\$ 1,370,741
Total Revenue and Other Financing Sources		1,370,741	1,370,741	1,370,741
Expenditures:				
Legal Services		11,000	11,000	11,000
Construction Services				1,356,991
Other Purchased Services		2,750	2,750	2,750
Total Expenditures		13,750	13,750	1,370,741
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 1,356,991	\$ 1,356,991	\$ - 0 -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Original Authorized Cost	\$ 1,370,741
Reduction in Authorized Cost	\$ - 0 -
Revised Authorized Cost	\$ 1,370,741
Percentage Decrease over Original Authorized Cost	0%
Percentage Completion	1.00%
Original Target Completion Date	10/31/2019

PROPRIETARY FUNDS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

ENTERPRISE FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2019

	Non-Major Funds					Total
	Major Fund Transportation Service Fund	Food Service Fund	Enrichment Fund	Technology Service Fund	Non-Major Funds	
<u>ASSETS:</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 972,015	\$ 6,853	\$ 2,215	\$ 1,197	\$ 10,265	\$ 982,280
Intergovernmental Accounts Receivable:						
State		51			51	51
Federal		784			784	784
Other	291,600					291,600
Inventories		5,528			5,528	5,528
Total Current Assets	1,263,615	13,216	2,215	1,197	16,628	1,280,243
Non-Current Assets:						
Capital Assets:						
Construction in Progress	1,189,919					1,189,919
Depreciable Buildings and Building Improvements, Furniture, Equipment, Buses, and Other Vehicles	6,139,040	207,100			207,100	6,346,140
Less: Accumulated Depreciation	(3,414,562)	(180,818)			(180,818)	(3,595,380)
Total Non-Current Assets	3,914,397	26,282			26,282	3,940,679
Total Assets	5,178,012	39,498	2,215	1,197	42,910	5,220,922
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Outflows Related to Pensions	721,097			124,952	124,952	846,049
Total Deferred Outflows of Resources	721,097			124,952	124,952	846,049

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019

	Non-Major Funds					Total
	Major Fund	Food Service Fund	Summer Enrichment Fund	Technology Service Fund	Non-Major Funds	
LIABILITIES:						
Current Liabilities:						
Accounts Payable	122,655			29,857	29,857	152,512
Contracts Payable	78,441					78,441
Unearned Revenue - Prepaid Balances		6,977	2,215		9,192	9,192
Unearned Revenue - Donated Commodities		2,007			2,007	2,007
Total Current Liabilities	<u>201,096</u>	<u>8,984</u>	<u>2,215</u>	<u>29,857</u>	<u>41,056</u>	<u>242,152</u>
Long-Term Liabilities:						
Capital Leases - Due Within One Year	571,099					571,099
Capital Leases - Due Beyond One Year	366,017					366,017
Compensated Absences - Due Beyond One Year	99,295					99,295
Net Pension Liability - Due Beyond One Year	2,542,518			395,121	395,121	2,937,639
Total Long-Term Liabilities	<u>3,578,929</u>			<u>395,121</u>	<u>395,121</u>	<u>3,974,050</u>
Total Liabilities	<u>3,780,025</u>	<u>8,984</u>	<u>2,215</u>	<u>424,978</u>	<u>436,177</u>	<u>4,216,202</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Related to Pensions	948,448			147,394	147,394	1,095,842
Total Deferred Inflows of Resources	<u>948,448</u>			<u>147,394</u>	<u>147,394</u>	<u>1,095,842</u>
NET POSITION:						
Net Investment in Capital Assets	2,977,281	26,282			26,282	3,003,563
Unrestricted/(Deficit)	<u>(1,806,645)</u>	<u>4,232</u>		<u>(446,223)</u>	<u>(441,991)</u>	<u>(2,248,636)</u>
Total Net Position/(Deficit)	<u>\$ 1,170,636</u>	<u>\$ 30,514</u>	<u>\$ -0-</u>	<u>\$ (446,223)</u>	<u>\$ (415,709)</u>	<u>\$ 754,927</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Fund	Non-Major Funds		Total	
	Transportation Service Fund	Food Service Fund	Technology Service Fund	Non-Major Funds	Total
Operating Revenue:					
Local Sources:					
Daily Sales:					
Reimbursable Programs		\$ 131,800		\$ 131,800	\$ 131,800
Non-Reimbursable programs		132,504		132,504	132,504
Charges and Program Fees	\$ 4,164,486		\$ 236,550	236,550	4,401,036
Other Sales		2,333		2,333	2,333
Total Operating Revenue	4,164,486	266,637	236,550	503,187	4,667,673
Operating Expenses:					
Cost of Sales:					
Reimbursable Programs		70,873		70,873	70,873
Non-Reimbursable programs		60,695		60,695	60,695
Salaries, Benefits & Payroll Taxes	2,701,540	144,473	246,628	391,101	3,092,641
Supplies and Materials	192,559				192,559
Management Fee		9,191		9,191	9,191
Other Purchased Services	230,166				230,166
Miscellaneous Expenses	12,109	30,082		30,082	42,191
Interest Expense on Capital Leases	18,157				18,157
Insurance	93,619				93,619
Gasoline	314,201				314,201
Depreciation Expense	259,859	5,318		5,318	265,177
Total Operating Expenses	3,822,210	320,632	246,628	567,260	4,389,470
Operating Income/(Loss)	342,276	(53,995)	(10,078)	(64,073)	278,203
Non-Operating Income:					
Local Sources:					
Interest Income		597		597	597
State Sources:					
State School Lunch Program		1,951		1,951	1,951
Federal Sources:					
National School Lunch Program		26,615		26,615	26,615
School Breakfast Program		3,063		3,063	3,063
Food Distribution Program		9,981		9,981	9,981
Total Non-Operating Income		42,207		42,207	42,207
Change in Net Position	342,276	(11,788)	(10,078)	(21,866)	320,410
Net Position/(Deficit) - Beginning of Year	828,360	42,302	(436,145)	(393,843)	434,517
Net Position/(Deficit) - End of Year	\$ 1,170,636	\$ 30,514	\$ (446,223)	\$(415,709)	\$ 754,927

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Non-Major Funds				Total
	Major Fund	Food Service Fund	Summer Enrichment Fund	Technology Service Fund	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 4,213,529	\$ 265,300	\$ 2,215	\$ 236,590	\$ 504,105
Payments to/for Employees	(2,631,553)			(236,550)	(2,868,103)
Payments to Vendors	(870,250)	(275,981)			(1,146,231)
Payments for Miscellaneous Expenses		(30,702)			(30,702)
Net Cash Provided by/(Used for) Operating Activities	<u>711,726</u>	<u>(41,383)</u>	<u>2,215</u>	<u>40</u>	<u>672,598</u>
Cash Flows from Investing Activities:					
Interest Income		597			597
Net Cash Provided by Investing Activities		<u>597</u>			<u>597</u>
Cash Flows from Noncapital Financing Activities:					
Interfunds Returned	696,217				696,217
Federal Reimbursements in Food Service Fund		29,676			29,676
State Reimbursements in Food Service Fund		1,942			1,942
Net Cash Provided by Noncapital Financing Activities	<u>696,217</u>	<u>31,618</u>			<u>727,835</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of Capital Assets	(25,430)	(2,700)			(28,130)
Construction in Progress Purchases	(1,111,478)				(1,111,478)
Capital Lease Principal Payments	(570,252)				(570,252)
Net Cash Used for Capital and Related Financing Activities	<u>(1,707,160)</u>	<u>(2,700)</u>			<u>(1,709,860)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>(299,217)</u>	<u>(11,868)</u>	<u>2,215</u>	<u>40</u>	<u>(308,830)</u>
Cash and Cash Equivalents, July 1	<u>1,271,232</u>	<u>18,721</u>		<u>1,157</u>	<u>1,291,110</u>
Cash and Cash Equivalents, June 30	<u>\$ 972,015</u>	<u>\$ 6,853</u>	<u>\$ 2,215</u>	<u>\$ 1,197</u>	<u>\$ 10,265</u>
					<u>\$ 982,280</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Major Fund</u>	<u>Non-Major Funds</u>			<u>Total</u>
	<u>Transportation</u>	<u>Food</u>	<u>Summer</u>	<u>Technology</u>	<u>Non-Major</u>
	<u>Service Fund</u>	<u>Service</u>	<u>Enrichment</u>	<u>Service Fund</u>	<u>Funds</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided By/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ 342,276	\$ (53,995)	\$ -0-	\$ (10,078)	\$ (64,073)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:					
Depreciation	259,859	5,318			265,177
Food Distribution Program		9,981			9,981
Changes in Assets and Liabilities:					
(Increase) in Inventory		(2,437)			(2,437)
Decrease in Intergovernmental Accounts Receivable - Other	49,042			40	49,082
(Decrease) in Net Pension Liability	(472,793)			(73,475)	(546,268)
Decrease in Deferred Outflows - Pensions	349,507			41,899	391,406
Increase in Deferred Inflows - Pensions	225,952			35,114	261,066
Increase/(Decrease) in Accounts Payable	(38,037)			6,540	(31,497)
(Decrease) in Other Current Liabilities	(283)				(283)
(Decrease) in Compensated Absences Payable	(3,797)				(3,797)
(Decrease) in Unearned Revenue		(250)	2,215		1,965
Net Cash Provided by/(Used for) Operating Activities	\$ 711,726	\$ (41,383)	\$ 2,215	\$ 40	\$ (39,128)
Noncash Investing, Capital and Financing Activities:					
The Food Service Enterprise Fund received USDA Donated Commodities through the Food Distribution Program valued at \$11,067 and utilized \$9,981 for the fiscal year ended June 30, 2019.					\$ 672,598

FIDUCIARY FUNDS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Agency Funds		Total Agency	Flexible Spending Trust	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
	Student Activities	Payroll	Agency	Trust	Trust	Trust	
ASSETS:							
Cash and Cash Equivalents	\$ 89,615	\$ 294,774	\$ 384,389	\$ 6,126	\$ 138,089	\$ 28,457	\$ 557,061
Total Assets	89,615	294,774	384,389	6,126	138,089	28,457	557,061
LIABILITIES:							
Payroll Deductions and Withholdings		7,294	7,294				7,294
Accrued Salaries and Wages		282,480	282,480				282,480
Due to Student Groups	89,615		89,615				89,615
Interfund Payable - General Fund		5,000	5,000				5,000
Total Liabilities	89,615	294,774	384,389				384,389
NET POSITION:							
Held in Trust for:							
Flexible Spending Claims				6,126			6,126
Unemployment Claims					138,089		138,089
Scholarships						28,457	28,457
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 6,126	\$ 138,089	\$ 28,457	\$ 172,672

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Flexible Spending Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:			
Contributions:			
Plan Members	\$ 28,840	\$ 17,171	
Donations			\$ 8,841
Total Contributions	<u>28,840</u>	<u>17,171</u>	<u>8,841</u>
Investment Earnings:			
Interest	194	1,861	
Net Investment Earnings	<u>194</u>	<u>1,861</u>	
Total Additions	<u>29,034</u>	<u>19,032</u>	<u>8,841</u>
DEDUCTIONS:			
Unemployment Compensation Claims		25,846	
Flexible Spending Claims	27,938		
Scholarship Payments			17,088
Total Deductions	<u>27,938</u>	<u>25,846</u>	<u>17,088</u>
Change in Net Position	1,096	(6,814)	(8,247)
Net Position - Beginning of the Year	<u>5,030</u>	<u>144,903</u>	<u>36,704</u>
Net Position - End of the Year	<u>\$ 6,126</u>	<u>\$ 138,089</u>	<u>\$ 28,457</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 89,970	\$ 235,895	\$ 236,250	\$ 89,615
Total Assets	<u>\$ 89,970</u>	<u>\$ 235,895</u>	<u>\$ 236,250</u>	<u>\$ 89,615</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 89,970	\$ 235,895	\$ 236,250	\$ 89,615
Total Liabilities	<u>\$ 89,970</u>	<u>\$ 235,895</u>	<u>\$ 236,250</u>	<u>\$ 89,615</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Regional High School:				
Student Activities	\$ 86,757	\$ 171,062	\$ 175,716	\$ 82,103
Athletic Activities	<u>3,213</u>	<u>64,833</u>	<u>60,534</u>	<u>7,512</u>
Total All Schools	<u>\$ 89,970</u>	<u>\$ 235,895</u>	<u>\$ 236,250</u>	<u>\$ 89,615</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 257,524	\$ 14,942,540	\$ 14,905,290	\$ 294,774
Total Assets	<u>\$ 257,524</u>	<u>\$ 14,942,540</u>	<u>\$ 14,905,290</u>	<u>\$ 294,774</u>
 <u>LIABILITIES:</u>				
Accrued Salaries and Wages	\$ 252,342	\$ 282,480	\$ 252,342	\$ 282,480
Payroll Deductions and Withholdings	182	14,660,060	14,652,948	7,294
Interfund Payable - General Fund	5,000			5,000
Total Liabilities	<u>\$ 257,524</u>	<u>\$ 14,942,540</u>	<u>\$ 14,905,290</u>	<u>\$ 294,774</u>

LONG-TERM DEBT

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Retired or Matured</u>
2012 Refunding Bonds	4/17/2012	\$3,075,000	4.00%	<u>\$ 530,000</u>	<u>\$ 530,000</u>
				<u>\$ 530,000</u>	<u>\$ 530,000</u>

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

Item	Interest Rate	Original Issue	Balance July 1, 2018	Issued	Matured	Balance June 30, 2019
260 iPad Airs, Maintenance Equipment, Etc.	1.48%	\$ 236,776	\$ 59,909		\$ 59,909	
Window Replacement Project	1.55%	1,562,654	325,762		325,762	
Technology & Maintenance Equipment	1.57%	103,497	68,614		34,040	\$ 34,574
Vehicles, Technology & Other Equipment	3.05%	231,053		\$ 231,053	58,624	172,429
Equipment Lease Purchase	2.75%	2,500,000		2,500,000		2,500,000
			<u>\$ 454,285</u>	<u>\$ 2,731,053</u>	<u>\$ 478,335</u>	<u>\$ 2,707,003</u>

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

Item	Interest Rate	Original Issue	Balance July 1, 2018	Issued	Matured	Balance June 30, 2019
Eight Thomas 54-Passenger Buses	1.66%	\$ 708,717	\$ 287,431		\$ 142,534	\$ 144,897
Various Transportation Vehicles	1.64%	536,484	322,803		105,852	216,951
Vehicles	1.57%	586,486	388,817		192,894	195,923
Vehicles, Technology & Other Equipment	3.05%	508,317		\$ 508,317	128,972	379,345
			<u>\$ 999,051</u>	<u>\$ 508,317</u>	<u>\$ 570,252</u>	<u>\$ 937,116</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 551,200		\$ 551,200	\$ 551,200	
Total Revenues	551,200		551,200	551,200	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	21,200		21,200	21,200	
Redemption of Principal	530,000		530,000	530,000	
Total Regular Debt Service	551,200		551,200	551,200	
Total Expenditures	551,200		551,200	551,200	
Excess of Revenues Over Expenditures	-0-	\$ -0-	-0-	-0-	\$ -0-
Fund Balance, July 1	-0-		-0-	-0-	-0-
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

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(*accrual basis of accounting*)

	June 30,				
	2010	2011	2012	2013	2014
Governmental Activities:					
Net Investment in Capital Assets	\$ 7,870,924	\$ 8,112,333	\$ 8,326,584	\$ 9,145,599	\$ 9,901,929
Restricted	1,180,548	1,018,760	1,079,940	1,233,893	878,685
Unrestricted/(Deficit)	(807,965)	(534,523)	(543,071)	(256,564)	(7,386,948)
Total Governmental Activities Net Position	<u>\$ 8,243,507</u>	<u>\$ 8,596,570</u>	<u>\$ 8,863,453</u>	<u>\$ 10,122,928</u>	<u>\$ 3,393,666</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 1,216,045	\$ 994,299	\$ 829,289	\$ 763,643	\$ 664,639
Unrestricted/(Deficit)	546,074	627,333	780,935	719,834	868,033
Total Business-Type Activities Net Position/(Deficit)	<u>\$ 1,762,119</u>	<u>\$ 1,621,632</u>	<u>\$ 1,610,224</u>	<u>\$ 1,483,477</u>	<u>\$ 1,532,672</u>
District-Wide:					
Net Investment in Capital Assets	\$ 9,086,969	\$ 9,106,632	\$ 9,155,873	\$ 9,909,242	\$ 9,909,242
Restricted	1,180,548	1,018,760	1,079,940	1,233,893	878,685
Unrestricted/(Deficit)	(261,891)	92,810	237,864	463,270	(6,518,915)
Total District Net Position	<u>\$ 10,005,626</u>	<u>\$ 10,218,202</u>	<u>\$ 10,473,677</u>	<u>\$ 11,606,405</u>	<u>\$ 4,269,012</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 9,083,412	\$ 9,474,220	\$ 11,226,221	\$ 13,292,397	\$ 12,487,848
Restricted	861,504	1,672,418	1,265,165	2,963,008	1,436,011
Unrestricted/(Deficit)	(3,786,616)	(5,418,500)	(6,291,751)	(7,596,502)	(4,355,100)
Total Governmental Activities Net Position	<u>\$ 6,158,300</u>	<u>\$ 5,728,138</u>	<u>\$ 6,199,635</u>	<u>\$ 8,658,903</u>	<u>\$ 9,568,759</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 439,400	\$ 1,607,011	\$ 1,421,677	\$ 1,480,266	\$ 3,003,563
Unrestricted/(Deficit)	(1,052,138)	(1,437,669)	(781,490)	(1,045,922)	(2,248,636)
Total Business-Type Activities Net Position/(Deficit)	<u>\$ (612,738)</u>	<u>\$ 169,342</u>	<u>\$ 640,187</u>	<u>\$ 434,344</u>	<u>\$ 754,927</u>
District-Wide:					
Net Investment in Capital Assets	\$ 9,522,812	\$ 11,081,231	\$ 12,647,898	\$ 14,772,663	\$ 15,491,411
Restricted	861,504	1,672,418	1,265,165	2,963,008	1,436,011
Unrestricted/(Deficit)	(4,838,754)	(6,856,169)	(7,073,241)	(8,642,424)	(6,603,736)
Total District Net Position	<u>\$ 5,545,562</u>	<u>\$ 5,897,480</u>	<u>\$ 6,839,822</u>	<u>\$ 9,093,247</u>	<u>\$ 10,323,686</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,806,737	\$ 5,921,348	\$ 6,567,284	\$ 6,562,855	\$ 6,783,272
Special Education	2,019,811	1,991,378	1,996,335	1,911,556	1,544,142
Other Special Education	107,967	93,999	17,721	3,557	28,475
Other Instruction	1,345,429	1,406,839	1,327,057	1,330,447	1,414,072
School Sponsored					
Support Services:					
Tuition	909,236	864,066	1,020,360	1,061,429	940,653
Student & Instruction Related Services	2,541,581	2,589,517	2,801,731	2,849,424	3,570,980
General and Business Administrative Services	1,150,911	1,157,946	1,174,587	1,164,906	1,191,594
School Administrative Services	582,320	532,398	537,653	599,512	599,975
Central Services					
Administrative Information Technology					
Plant Operations and Maintenance	1,616,202	1,641,870	1,654,596	1,744,118	1,917,835
Pupil Transportation	1,188,704	1,080,191	1,166,677	1,218,965	1,216,043
Interest on Long-term Debt	169,723	189,607	127,930	133,563	123,357
Capital Outlay					
Total Governmental Activities Expenses	<u>18,438,621</u>	<u>17,469,159</u>	<u>18,391,931</u>	<u>18,580,332</u>	<u>19,330,398</u>
Business-Type Activities:					
Food Service	324,654	355,819	380,362	435,304	452,199
Transportation	2,650,246	2,777,759	2,842,781	2,955,585	3,054,696
Technology Services			33,570	139,281	160,574
Total Business-type Activities Expense	<u>2,974,900</u>	<u>3,133,578</u>	<u>3,256,713</u>	<u>3,530,170</u>	<u>3,667,469</u>
Total District Expenses	<u>\$ 21,413,521</u>	<u>\$ 20,602,737</u>	<u>\$ 21,648,644</u>	<u>\$ 22,110,502</u>	<u>\$ 22,997,867</u>
Program Revenues					
Charges for Services:					
Regular Instruction	\$ 13,253	\$ 11,222	\$ 57,945	\$ 75,013	\$ 100,383
Special Education Instruction		32,083	57,070	60,382	61,791
Other Instruction	7,255	16,085	13,349	11,053	670
Student & Instructional Related Services		43,700	60,680	17,424	32,742
General & Business Administration Services	1,502	1,960	15,736	17,164	23,810
School Administration Services			155		
Plant Operations & Maintenance	18,500	5,860	8,378	10,330	6,558
Pupil Transportation	1,202	350	4,071	1,090	
Operating Grants and Contributions and Charges for Services	507,226	525,359	356,282	227,873	214,024
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	<u>548,938</u>	<u>636,619</u>	<u>573,666</u>	<u>420,329</u>	<u>439,978</u>
Business-Type Activities:					
Charges for Services:					
Food Service	328,379	318,602	319,010	344,117	339,217
Transportation	2,438,329	2,593,507	2,846,131	2,862,260	3,134,672
Technology Services			33,570	139,281	176,483
Operating Grants and Contributions	39,057	39,158	43,901	46,872	57,465
Capital Grants and Contributions					
Total Business-type Activities Program Revenues	<u>2,805,765</u>	<u>2,951,267</u>	<u>3,242,612</u>	<u>3,392,530</u>	<u>3,707,837</u>

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

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Total District Program Revenues	\$ 3,354,703	\$ 3,587,886	\$ 3,816,278	\$ 3,812,859	\$ 4,147,815
Net (Expense)/Revenue					
Governmental Activities	\$ (17,889,683)	\$ (16,832,540)	\$ (17,818,265)	\$ (18,160,003)	\$ (18,890,420)
Business-type Activities	(169,135)	(182,311)	(14,101)	(137,640)	40,368
Total District-wide Net Expense	\$ (18,058,818)	\$ (17,014,851)	\$ (17,832,366)	\$ (18,297,643)	\$ (18,850,052)
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 12,339,722	\$ 12,658,311	\$ 12,636,477	\$ 12,889,207	\$ 13,134,122
Property Taxes Levied for Debt Service	591,000	162,305	553,693	593,430	555,964
Federal and State Aid not Restricted					
Unrestricted Grants and Contributions	5,192,310	4,551,441	5,084,389	5,415,942	5,406,445
Investment Earnings	18,339	13,662	3,879	3,908	3,504
Rents and Royalties					
Miscellaneous Income	26,811	152,531	31,311	134,520	59,847
Other	(90,000)	(350,052)	(100,000)		
Special Item-Payment to Bond Agent			(114,463)		
Special Item-Insurance Proceeds for Storm Damage				489,480	
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets	229	(2,595)	(10,138)	(13,650)	(52,734)
Total Governmental Activities	18,078,411	17,185,603	18,085,148	19,512,837	19,107,148
Business-Type Activities:					
Miscellaneous Income		24	62	1,773	4,515
Transfer In	(20,929)				
Investment Earnings					
Special Item - Prior Year Accounts Payable Canceled					
Special Item -Gain (Loss) on Deletion of Assets	(1,813)	41,800	2,631	9,120	4,312
Total Business-Type Activities	(22,742)	41,824	2,693	10,893	8,827
Total District-Wide	\$ 18,055,669	\$ 17,227,427	\$ 18,087,841	\$ 19,523,730	\$ 19,115,975
Change in Net Position:					
Governmental Activities	\$ 188,728	\$ 188,728	\$ 266,883	\$ 1,352,834	\$ 216,728
Business-type Activities	(191,877)	(191,877)	(11,408)	(126,747)	49,195
Total District	\$ (3,149)	\$ (3,149)	\$ 255,475	\$ 1,226,087	\$ 265,923

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 7,994,360	\$ 8,084,175	\$ 8,920,184	\$ 8,703,370	\$ 8,713,124
Special Education	1,521,071	1,891,749	2,327,301	2,238,108	2,040,912
Other Special Education	24,997				
Other Instruction	1,441,785	40,704	1,098	356	2,265
School Sponsored		1,032,906	1,115,421	1,110,261	1,102,703
Support Services:					
Tuition	1,094,071	954,593	1,198,946	1,336,165	1,306,571
Student & Instruction Related Services	4,143,236	4,627,236	5,047,114	5,671,611	5,204,918
General and Business Administrative Services	1,349,198	531,743	678,240	647,909	503,152
School Administrative Services	670,034	724,417	812,418	838,368	767,067
Central Services		517,571	572,993	621,070	543,325
Administrative Information Technology		217,976	147,500	120,754	6,227
Plant Operations and Maintenance	1,659,974	2,099,057	2,199,965	1,340,044	1,955,738
Pupil Transportation	1,267,740	1,226,349	1,333,459	1,287,053	1,247,169
Interest on Long-term Debt	130,697	35,282	18,805	548	6,220
Capital Outlay					866,634
Total Governmental Activities Expenses	<u>21,297,163</u>	<u>21,983,758</u>	<u>24,373,444</u>	<u>23,915,617</u>	<u>24,266,025</u>
Business-Type Activities:					
Food Service	402,611	376,867	347,258	320,083	320,632
Transportation	3,470,988	3,732,371	3,572,686	4,504,774	3,822,210
Technology Services	266,755	528,445	313,999	275,664	246,628
Total Business-type Activities Expense	<u>4,140,354</u>	<u>4,637,683</u>	<u>4,233,943</u>	<u>5,100,521</u>	<u>4,389,470</u>
Total District Expenses	<u>\$ 25,437,517</u>	<u>\$ 26,621,441</u>	<u>\$ 28,607,387</u>	<u>\$ 29,016,138</u>	<u>\$ 28,655,495</u>
Program Revenues					
Charges for Services:					
Regular Instruction	\$ 140,534	\$ 12,735	\$ 12,735	\$ 5,514	
Special Education Instruction	174,503	110,754	141,732	39,343	\$ 34,421
Other Instruction					
Student & Instructional Related Services	29,709				
General & Business Administration Services	3,612				
School Administration Services					
Plant Operations & Maintenance	11,300				
Pupil Transportation	6,842				
Operating Grants and Contributions and Charges for Services	229,134	4,792,227	6,201,452	7,249,654	5,641,043
Capital Grants and Contributions	110,735			527,542	1,022,889
Total Governmental Activities Program Revenues	<u>706,369</u>	<u>4,915,716</u>	<u>6,355,919</u>	<u>7,822,053</u>	<u>6,698,353</u>
Business-Type Activities:					
Charges for Services:					
Food Service	335,139	300,555	284,217	269,641	264,304
Transportation	3,682,898	3,865,697	4,397,780	4,342,647	4,164,486
Technology Services	265,847	215,110	222,500	229,352	236,550
Operating Grants and Contributions	57,449	41,137	45,372	45,871	41,610
Capital Grants and Contributions				6,694	
Total Business-type Activities Program Revenues	<u>4,341,333</u>	<u>4,422,499</u>	<u>4,949,869</u>	<u>4,894,205</u>	<u>4,706,950</u>

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Total District Program Revenues	\$ 5,047,702	\$ 9,338,215	\$ 11,305,788	\$ 12,716,258	\$ 11,405,303
Net (Expense)/Revenue					
Governmental Activities	\$ (20,590,794)	\$ (17,068,042)	\$ (18,017,525)	\$ (16,093,564)	\$ (17,567,672)
Business-type Activities	200,979	(215,184)	715,926	(206,316)	317,480
Total District-wide Net Expense	\$ (20,389,815)	\$ (17,283,226)	\$ (17,301,599)	\$ (17,301,599)	\$ (17,250,192)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 13,525,820	\$ 13,783,832	\$ 14,031,941	\$ 14,031,941	\$ 14,197,385
Property Taxes Levied for Debt Service	578,050	578,350	578,200	577,600	551,200
Federal and State Aid not Restricted		3,291,371	3,293,049	3,296,720	3,252,928
Unrestricted Grants and Contributions	7,415,191				
Investment Earnings	9,677	12,612	4,560	9,097	11,306
Rents and Royalties			373,500	510,440	306,694
Miscellaneous Income	63,164	42,871	69,642	127,034	158,015
Transfer			(8,013)		
Special Item-Payment to Bond Agent					
Special Item-Insurance Proceeds for Storm Damage					
Special Item-Gain (Loss) on Sale, Trade-in or Disposal of Capital Assets	(360)				
Total Governmental Activities	21,591,542	17,709,036	18,342,879	18,552,832	18,477,528
Business-Type Activities:					
Miscellaneous Income	1,385	22,023			2,333
Transfer In			8,013		
Investment Earnings	126	122	162	473	597
Special Item - Reappraisal of Capital Assets	(731)				
Special Item - Gain (Loss) on Deletion of Assets	2,012				
Total Business-Type Activities	2,792	22,145	8,175	473	2,930
Total District-Wide	\$ 21,594,334	\$ 17,731,181	\$ 18,351,054	\$ 18,553,305	\$ 18,480,458
Change in Net Position:					
Governmental Activities	\$ 1,000,748	\$ 640,994	\$ 325,354	\$ 2,459,268	\$ 909,856
Business-type Activities	203,771	(193,039)	724,101	(205,843)	320,410
Total District	\$ 1,204,519	\$ 447,955	\$ 1,049,455	\$ 2,253,425	\$ 1,230,266

Source: School District Financial Reports

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

UNAUDITED

(modified accrual basis of accounting)

	June 30,				
	2010	2011	2012	2013	2014
General Fund:					
Reserved/Restricted			\$ 61,573	\$ 61,573	\$ 878,685
Committed	\$ 738,130	\$ 979,338	1,079,940	1,212,557	426,340
Unreserved:					
Assigned/Designated for Subsequent Year's Expenditures	157,619	275,460	415,447	611,669	239,521
Assigned					
Unassigned/(Deficit)	(98,936)	43,618	16,407	79,342	
Total General Fund	\$ 796,813	\$ 1,298,416	\$ 1,573,367	\$ 1,965,141	\$ 1,544,546
All Other Governmental Funds:					
Committed					
Restricted, Reported in:					
Capital Projects Fund	\$ 39,422				
Assigned, Reporting in:					
Debt Service Fund		\$ 39,422		\$ 21,336	
Unassigned/(Deficit)					
Total All Other Governmental Funds	\$ 469,422	\$ 39,422	\$ -0-	\$ 21,336	\$ -0-

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	June 30,				
	2015	2016	2017	2018	2019
General Fund:					
Reserved/Restricted		\$ 1,672,418	\$ 1,265,165	\$ 2,963,008	\$ 1,436,011
Committed	\$ 861,504				
Unreserved:					
Assigned/Designated for Subsequent Year's Expenditures	855,112				
Assigned		302,435	700,505	486,125	297,671
Unassigned/(Deficit)	167,434	47,594	111,075	166,547	286,238
Total General Fund	<u>\$ 1,884,050</u>	<u>\$ 2,022,447</u>	<u>\$ 2,076,745</u>	<u>\$ 3,615,680</u>	<u>\$ 2,019,920</u>
All Other Governmental Funds:					
Committed		\$ 485,926	\$ 163,388		\$ 2,338,945
Restricted, Reported in:					
Capital Projects Fund					
Assigned, Reporting in:	\$ 1,758,945				
Debt Service Fund					
Unassigned/(Deficit)				\$ (696,217)	
Total All Other Governmental Funds/(Deficit)	<u>\$ 1,758,945</u>	<u>\$ 485,926</u>	<u>\$ 163,388</u>	<u>\$ (696,217)</u>	<u>\$ 2,338,945</u>

Source: School District Financial Reports

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Revenues:					
Tax Levy	\$ 12,930,722	\$ 12,820,616	\$ 13,190,170	\$ 13,190,170	\$ 13,690,086
Tuition from Individuals	5,910	32,083	36,100	36,100	61,791
Tuition from Other LEA's Within the State					
Rents and Royalties					
Interest Earned on Capital Reserve Funds					
Interest Earnings	18,339	13,662	3,879	3,879	3,504
Local Contributions					6,085
Miscellaneous	39,637	234,645	31,123	31,123	56,456
State Sources	4,609,802	4,551,441	4,936,247	4,936,247	5,406,445
Federal Sources	1,083,960	474,221	500,523	500,523	210,339
Total Revenue	18,688,370	18,126,668	18,698,042	18,698,042	19,434,706
Expenditures					
Instruction:					
Regular Instruction	4,864,422	4,181,001	4,502,117	4,502,117	4,736,072
Special Education Instruction	1,340,851	1,301,265	1,324,608	1,324,608	1,039,553
Other Instruction	57,124	56,642	1,202	1,202	7,800
School Sponsored Instruction	967,303	974,219	909,491	909,491	993,760
Support Services:					
Tuition	726,403	676,314	827,038	827,038	760,449
Student & Instruction Related Services	1,731,990	1,678,011	1,807,074	1,807,074	2,440,575
General Administrative Services	439,976	423,540	491,409	491,409	498,010
School Administrative Services	404,820	382,939	372,540	372,540	414,962
Central Services	317,615	300,959	308,711	308,711	353,988
Administrative Information Technology	114,343	133,569	49,241	49,241	63,656
Plant Operations and Maintenance	1,359,046	1,368,422	1,373,582	1,373,582	1,619,068
Student Transportation	1,118,302	1,068,736	1,161,492	1,161,492	1,216,358
Unallocated Benefits	2,592,791	2,851,246	3,000,071	3,000,071	3,036,763
On-Behalf TPAF Pension & Social Security Contributions	933,278	906,187	1,077,768	1,077,768	1,178,883

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

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Expenditures					
Capital Outlay	\$ 98,485	\$ 250,493	\$ 189,844	\$ 813,484	\$ 887,712
Special Revenue	507,226	525,359	356,282	227,873	214,024
Capital Projects			72,356		
Debt Service:					
Principal	415,000	430,000	445,000	480,000	475,000
Interest and Other Charges	176,000	196,111	167,775	119,075	129,281
Total Expenditures	<u>18,164,975</u>	<u>17,705,013</u>	<u>18,437,601</u>	<u>18,846,776</u>	<u>20,065,914</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>523,395</u>	<u>421,655</u>	<u>260,441</u>	<u>(148,734)</u>	<u>(631,208)</u>
Other Financing Sources/(Uses):					
Proceeds from Refunding Bond Issue			3,075,000		189,277
Proceeds for Capital Lease					
Premium on Refunding Bond Issue			245,819		
Payment to Refunding Bond Agent			(3,248,463)		
Proceeds from Sale of Capital Assets	2,762		2,732		
Insurance Claim Proceeds for Flood Damage				489,480	
Capital Leases (Non-Budgeted)					
Transfers Out	(90,000)	(350,052)	(100,000)		
Total Other Financing Sources/(Uses)	<u>(87,238)</u>	<u>(350,052)</u>	<u>(24,912)</u>	<u>489,480</u>	<u>189,277</u>
Net Change in Fund Balances	<u>\$ 436,157</u>	<u>\$ 71,603</u>	<u>\$ 235,529</u>	<u>\$ 340,746</u>	<u>\$ (441,931)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.27%	3.59%	3.36%	3.32%	3.15%

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Revenues:					
Tax Levy	\$ 14,103,870	\$ 14,362,182	\$ 14,610,141	\$ 14,609,541	\$ 14,748,585
Tuition from Individuals	187,493	12,735	12,735	5,514	
Tuition from Other LEA's Within the State		110,754	141,732	39,343	34,421
Rents and Royalties			373,500	510,440	306,694
Interest Earned on Capital Reserve Funds		914	4,560	9,097	3,890
Interest Earnings	9,677				
Local Contributions	16,667				
Miscellaneous	55,996	63,997	211,110	131,477	226,524
State Sources	5,714,234	5,820,700	6,025,352	6,867,322	7,571,821
Federal Sources	217,892	210,187	208,667	202,974	212,373
Total Revenue	20,305,829	20,581,469	21,587,797	22,375,708	23,104,308
Expenditures					
Instruction:					
Regular Instruction	4,932,664	4,907,939	4,630,978	4,514,926	4,660,741
Special Education Instruction	876,297	1,159,175	1,259,444	1,180,712	1,120,043
Other Instruction	5,000	40,704	1,098	356	2,265
School Sponsored Instruction	1,009,555	1,001,801	1,056,091	1,053,392	1,094,785
Support Services:					
Tuition	909,045	954,593	1,198,946	1,336,165	1,306,571
Student & Instruction Related Services	2,484,432	2,581,083	2,432,479	2,764,760	2,808,608
General Administrative Services	491,957	420,944	484,527	429,481	339,764
School Administrative Services	412,906	419,574	429,123	430,419	424,994
Central Services	355,174	344,734	340,328	366,196	349,072
Administrative Information Technology	112,352	196,203	138,410	65,239	
Plant Operations and Maintenance	1,341,466	1,547,590	1,477,869	1,426,972	1,498,648
Student Transportation	1,260,591	1,180,593	1,267,395	1,223,131	1,199,273
Unallocated Benefits	2,832,695	4,538,512	4,576,056	5,053,206	5,717,864
On-Behalf TPAF Pension & Social Security Contributions	1,402,196				

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Expenditures					
Capital Outlay	\$ 167,164	\$ 1,733,561	\$ 1,977,080	\$ 1,377,320	\$ 3,322,131
Special Revenue	229,134				
Capital Projects	276,839				
Debt Service:					
Principal	792,212	505,000	520,000	535,000	530,000
Interest and Other Charges	115,031	73,350	58,200	42,600	21,200
Total Expenditures	20,006,710	21,605,356	21,848,024	21,799,875	24,395,959
Excess/(Deficit) of Revenue Over/(Under) Expenditures	299,119	(1,023,887)	(260,227)	575,833	(1,291,651)
Other Financing Sources/(Uses):					
Proceeds from Refunding Bond Issue	1,799,330				
Proceeds for Capital Lease					
Premium on Refunding Bond Issue					
Payment to Refunding Bond Agent					
Proceeds from Sale of Capital Assets					
Insurance Claim Proceeds for Flood Damage					
Capital Leases (Non-Budgeted)				103,497	2,731,053
Transfers Out			(8,013)		
Total Other Financing Sources/(Uses)	1,799,330		(8,013)	103,497	2,731,053
Net Change in Fund Balances	\$ 2,098,449	\$ (1,023,887)	\$ (268,240)	\$ 679,330	\$ 1,439,402
Debt Service as a Percentage of Noncapital Expenditures	4.57%	2.91%	2.91%	2.83%	2.62%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Total</u>
2010	\$ 3,134	\$ 24,420	\$ 33,448	\$ 4,245	\$ 65,247
2011	669	45,268	24,385		70,322
2012	560	35,241	8,739		44,540
2013	538	21,554	10,859		32,951
2014	4,996	51,689	32,826		89,511
2015	5,384	107,316	34,248		146,948
2016	12,239	123,489	43,103		178,831
2017	4,560	154,467	69,642	373,500	602,169
2018	52,119	44,857	84,012	510,440	691,428
2019	71,621	34,421	90,284	306,694	503,020

Source: School District Financial Reports

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

Alexandria Township

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2009	\$ 23,145,300	\$ 653,844,600	\$ 119,772,700	\$ 3,962,339	\$ 21,679,788	\$ 2,534,800	\$ 418,900	\$ 825,358,427	\$ 1,515,311	\$ 826,873,738	\$ 0.57	\$ 900,393,499
2010	19,873,200	661,048,700	120,545,600	3,957,181	21,720,188	2,534,800	418,900	830,098,569	1,960,839	832,059,408	0.53	884,510,905
2011	14,932,700	670,392,500	121,687,600	4,037,633	21,752,488	2,534,800	418,900	835,756,621	2,175,745	837,932,366	0.52	855,451,114
2012	13,406,100	661,932,700	122,866,700	4,082,151	21,045,588	2,534,800	418,900	826,286,939	2,293,602	828,580,541	0.57	802,261,594
2013	12,754,400	654,129,600	123,550,900	4,052,732	20,957,488	1,034,800	418,900	816,898,820	2,109,187	819,008,007	0.59	777,229,047
2014	10,448,300	569,320,900	106,917,400	4,235,179	19,100,800	836,200	230,400	711,089,179	178,774	711,267,953	0.70	770,673,063
2015	9,380,000	567,628,200	108,879,000	4,272,779	18,850,800	836,200	230,400	710,077,379	165,764	710,243,143	0.75	788,545,734
2016	9,316,700	576,623,900	104,491,000	4,172,379	18,850,800	836,200	230,400	714,521,379	168,946	714,690,325	0.71	778,896,341
2017	8,131,900	576,752,800	107,236,400	4,149,679	18,905,200	836,200	230,400	716,242,579	168,184	716,410,763	0.68	784,892,449
2018	6,531,200	578,309,600	106,986,600	4,268,903	18,783,800	836,200	228,100	715,944,403	169,385	716,113,788	0.67	779,221,554

Frenchtown Borough

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2009	\$ 2,608,300	\$ 108,052,500	\$ 898,600	\$ 14,200	\$ 27,687,500	\$ 3,726,350	\$ 6,446,500	\$ 149,433,950	\$ 1,130,900	\$ 150,564,850	\$ 0.50	\$ 182,114,565
2010	2,505,100	109,384,700	898,600	14,700	26,861,900	3,726,350	6,045,500	149,436,850	889,485	150,326,335	0.47	177,418,076
2011	2,505,100	108,678,000	898,600	14,700	26,785,700	3,726,350	6,045,500	148,653,950	725,240	149,379,190	0.44	171,957,166
2012	2,505,100	108,976,400	898,600	14,700	26,737,800	3,726,350	6,045,500	148,904,450	592,657	149,497,107	0.48	166,644,863
2013	2,505,100	108,741,700	898,600	14,700	26,737,800	3,726,350	6,045,500	148,669,750	489,679	149,159,429	0.52	159,392,422
2014	2,505,100	109,474,900	898,600	14,700	26,449,600	3,726,350	5,682,600	148,751,850	594,036	149,345,886	0.57	152,424,868
2015	2,490,600	109,543,700	898,600	14,700	26,369,600	3,726,350	5,682,600	148,726,150	693,169	149,419,319	0.63	164,522,483
2016	4,480,500	110,307,000	449,600	11,200	26,503,300	3,726,350	5,682,600	151,160,550	644,203	151,804,753	0.70	177,044,431
2017	4,261,200	110,497,100	449,600	11,200	26,563,300	3,726,350	5,682,600	151,191,350	648,614	151,839,964	0.66	166,893,728
2018	3,636,200	111,659,800	788,600	27,100	26,463,000	3,726,350	5,699,900	152,000,950	648,614	152,649,564	0.65	178,506,872

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

Holland Township

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2009	\$ 13,960,200	\$ 646,967,000	\$ 73,861,100	\$ 2,615,500	\$ 16,150,100	\$ 14,480,500	\$ 409,900	\$ 768,444,300	\$ 1,952,899	\$ 770,397,199	0.50	\$ 830,689,491
2010	13,623,600	646,506,300	75,961,400	2,588,800	16,302,400	14,480,500	409,900	769,872,900	2,066,917	771,939,817	0.50	832,100,698
2011	12,898,800	646,373,000	75,820,600	2,555,100	16,202,400	14,026,400	409,900	768,286,200	1,938,850	770,225,050	0.53	783,944,071
2012	11,043,000	646,768,800	74,547,600	2,519,600	16,745,200	13,145,500	409,900	765,179,600	1,948,801	767,128,401	0.52	746,069,777
2013	10,255,300	643,244,500	75,823,800	2,579,300	16,745,200	13,145,500	409,900	762,203,500	1,671,889	763,875,389	0.50	691,448,812
2014	6,480,600	525,191,400	65,474,000	2,645,310	16,026,211	11,231,600	429,300	627,478,421	1,531,313	629,009,734	0.61	670,270,971
2015	6,975,500	524,687,600	65,808,400	2,658,190	15,119,411	11,231,600	429,300	626,910,001	1,504,717	628,414,718	0.58	660,724,128
2016	7,439,600	526,884,100	64,633,400	2,602,380	13,883,911	11,231,600	429,300	627,104,291	1,464,110	628,568,401	0.61	661,400,494
2017	8,046,300	527,053,100	62,836,000	2,569,630	14,136,311	10,448,100	429,300	625,518,741	1,428,395	626,947,136	0.65	663,064,010
2018	7,665,900	524,938,100	64,907,400	2,733,430	14,447,811	10,448,100	429,300	625,570,041	1,136,595	626,706,636	0.60	670,952,595

Kingwood Township

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2009	\$ 24,913,500	\$ 494,471,800	\$ 126,078,000	\$ 5,910,000	\$ 40,870,300	\$ 10,401,900	\$ 2,262,500	\$ 704,908,000	\$ 1,359,500	\$ 706,267,500	0.41	\$ 704,115,651
2010	19,877,000	421,467,300	111,387,300	5,862,400	34,544,300	9,346,600	2,018,900	604,503,800	1,639,850	606,143,650	0.51	697,511,612
2011	19,848,200	422,700,800	111,775,600	5,809,900	35,078,200	9,346,600	1,988,300	606,547,600	1,559,512	608,107,112	0.55	660,555,194
2012	20,682,400	417,770,800	114,411,900	5,810,800	34,583,000	9,346,600	1,988,300	604,593,800	1,663,096	606,256,896	0.57	639,241,772
2013	20,444,100	420,624,300	113,888,600	5,711,500	34,945,700	9,346,600	1,988,300	606,949,100	1,480,282	608,429,382	0.59	629,713,705
2014	18,828,000	422,482,000	113,765,600	5,624,100	34,980,300	9,381,100	1,988,300	607,049,400	1,476,753	608,526,153	0.61	611,216,103
2015	22,065,150	421,252,699	113,811,201	5,480,300	34,962,700	9,381,100	1,988,300	608,941,450	1,653,010	610,594,460	0.61	618,887,553
2016	21,949,750	428,026,899	110,891,300	5,381,800	35,012,700	8,921,900	1,988,300	612,172,649	1,544,943	613,717,592	0.61	603,828,946
2017	20,706,400	427,194,899	113,641,700	5,300,000	34,962,400	8,921,900	1,988,300	612,715,599	1,545,288	614,260,887	0.62	611,153,881
2018	20,700,000	430,839,699	110,696,300	5,292,300	34,962,400	8,921,900	1,947,600	613,360,199	1,545,288	614,905,487	0.65	625,535,242

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

Milford Borough

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2009	\$ 2,212,100	\$ 96,064,900	\$ 1,413,900	\$ 15,900	\$ 12,455,970	\$ 1,992,000	\$ 3,238,200	\$ 117,392,970	\$ 265,500	\$ 117,658,470	\$ 0.59	\$ 145,327,603
2010	2,643,000	95,595,200	1,413,900	21,100	12,455,970	1,992,000	3,238,200	117,359,370	260,294	117,619,664	0.68	152,971,341
2011	2,647,800	95,320,400	1,408,800	21,100	12,444,170	1,992,000	3,238,200	117,072,470	229,368	117,301,838	0.66	145,752,781
2012	2,634,300	95,332,200	1,408,800	21,100	12,759,270	1,992,000	3,238,200	117,385,870	241,622	117,627,492	0.51	128,892,715
2013	2,580,300	94,829,000	1,408,800	21,100	12,759,270	1,992,000	3,238,200	116,828,670	222,189	117,050,859	0.52	117,674,534
2014	2,265,200	94,913,600	1,418,800	21,900	12,759,270	1,992,000	3,238,200	116,608,970	182,366	116,791,336	0.61	114,247,680
2015	2,265,200	94,625,300	1,418,800	21,900	12,447,070	1,992,000	2,900,000	115,670,270	188,786	115,859,056	0.61	109,034,434
2016	2,179,300	94,300,400	1,418,800	21,900	12,447,070	1,992,000	2,900,000	115,259,470	182,807	115,442,277	0.61	122,488,557
2017	2,138,600	94,080,271	1,418,800	21,900	12,447,070	1,992,000	2,900,000	114,998,641	182,071	115,180,712	0.77	121,957,242
2018	2,131,100	94,617,171	1,418,800	21,900	12,377,670	1,992,000	2,900,000	115,458,641	178,706	115,637,347	1.01	124,989,568

Source: Municipal Tax Assessors and State of New Jersey Website

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

* Revaluation of Real Property became effective.
 a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 b Tax rates are per \$100

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

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

Alexandria Township

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Obligation Debt Service ^b	Municipality	County		
				Local School	County	
2009	\$ 0.54	\$ 0.03	\$ 0.21	\$ 0.38	\$ 0.91	\$ 2.07
2010	0.52	0.01	0.21	0.36	0.95	2.05
2011	0.50	0.02	0.21	0.35	0.93	2.01
2012	0.54	0.03	0.21	0.34	0.96	2.08
2013	0.57	0.02	0.21	0.34	0.97	2.11
2014	0.67	0.03	0.24	0.40	1.14	2.48
2015	0.72	0.03	0.24	0.41	1.16	2.56
2016	0.68	0.03	0.25	0.40	1.19	2.56
2017	0.66	0.02	0.26	0.41	1.22	2.57
2018	0.64	0.03	0.29	0.41	1.20	2.57

Frenchtown Borough

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Obligation Debt Service ^b	Municipality	County		
				Local School	County	
2009	\$ 0.48	\$ 0.02	\$ 0.50	\$ 0.42	\$ 1.12	\$ 2.60
2010	0.46	0.01	0.47	0.41	1.17	2.65
2011	0.42	0.02	0.44	0.40	1.19	2.65
2012	0.46	0.02	0.48	0.40	1.21	2.74
2013	0.50	0.02	0.52	0.40	1.24	2.83
2014	0.55	0.02	0.57	0.38	1.26	2.92
2015	0.60	0.03	0.63	0.41	1.30	3.21
2016	0.67	0.03	0.70	0.43	1.30	3.30
2017	0.62	0.04	0.66	0.41	1.34	3.30
2018	0.62	0.02	0.65	0.44	1.35	3.34

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

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

Holland Township

Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County	Local School	
2009	\$ 0.48	\$ 0.02	\$ 0.50	\$	0.37	\$ 1.05	\$ 1.92
2010	0.49	0.01	0.50		0.37	1.08	1.95
2011	0.51	0.02	0.53		0.35	1.09	1.97
2012	0.50	0.02	0.52		0.34	1.08	1.94
2013	0.48	0.02	0.50		0.33	1.11	1.94
2014	0.58	0.03	0.61	\$ 0.10	0.39	1.37	2.47
2015	0.56	0.02	0.58	0.19	0.39	1.40	2.56
2016	0.59	0.02	0.61	0.19	0.39	1.40	2.59
2017	0.62	0.03	0.65	0.19	0.39	1.36	2.59
2018	0.58	0.02	0.60	0.19	0.40	1.44	2.63

Kingwood Township

Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County	Local School	
2009	\$ 0.39	\$ 0.02	\$ 0.41	\$ 0.19	0.34	\$ 0.75	\$ 1.69
2010	0.50	0.01	0.51	0.22	0.39	0.90	2.02
2011	0.53	0.02	0.55	0.22	0.37	0.89	2.03
2012	0.54	0.03	0.57	0.23	0.37	0.91	2.08
2013	0.57	0.02	0.59	0.23	0.38	0.90	2.10
2014	0.58	0.03	0.61	0.24	0.37	0.91	2.13
2015	0.59	0.02	0.61	0.25	0.38	0.92	2.16
2016	0.59	0.02	0.61	0.26	0.36	0.95	2.18
2017	0.59	0.03	0.62	0.27	0.37	0.92	2.18
2018	0.63	0.02	0.65	0.30	0.38	0.97	2.30

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

LAST TEN YEARS
UNAUDITED

(rate per \$100 of assessed value)

Milford Borough

Year Ended December 31,	Direct Rate		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Obligation Debt Service ^b	Municipality	County	Local School	
2009	\$ 0.56	\$ 0.03	\$ 0.59	\$ 0.68	\$ 1.41	\$ 3.10
2010	0.67	0.01	0.68	0.68	1.48	3.28
2011	0.63	0.03	0.66	0.68	1.48	3.24
2012	0.49	0.02	0.51	0.69	1.50	3.08
2013	0.50	0.02	0.52	0.70	1.54	3.11
2014	0.58	0.03	0.61	0.71	1.53	3.20
2015	0.59	0.02	0.61	0.71	1.65	3.31
2016	0.59	0.02	0.61	0.72	1.70	3.39
2017	0.74	0.03	0.77	0.73	1.53	3.39
2018	0.97	0.04	1.01	0.74	1.67	3.79

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

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

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

* Revaluation became effective.

Source: Municipal Tax Collectors

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

		Alexandria Township	
		2019	2010
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value
Individual Property Owner #1	\$ 4,373,600	0.61%	\$ 7,365,400
Sky Manor Airport Partners LLC	2,598,800	0.36%	3,543,100
Columbia Gas Transportation	2,427,300	0.34%	2,571,488
Individual Property Owner #2	1,532,700	0.21%	1,993,500
Alexandria Airpark LLC	1,251,100	0.17%	1,686,300
Manchanda Shapiro Rauch LLC	1,209,300	0.17%	1,541,000
Individual Property Owner #3	1,168,000	0.16%	1,486,900
DeSapio Properties (Six Inc)	1,146,600	0.16%	1,480,129
Individual Property Owner #4	1,049,100	0.15%	1,473,900
Individual Property Owner #5	1,047,000	0.15%	1,359,200
Total	\$ 17,803,500	2.48%	\$ 24,500,917

		Frenchtown Borough	
		2019	2010
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value
Frenchtown Associates LLC	\$ 2,950,000	1.99%	\$ 2,950,000
Frenchtown Properties LLC	2,145,200	1.45%	2,536,400
Frenchtown Barn Center LLC	1,500,000	1.01%	2,145,200
Davon LLC	977,200	0.66%	1,059,003
Bridge Race Properties	972,200	0.66%	977,200
Individual Property Owner #1	769,200	0.52%	972,200
Traub Holdings LLC	758,400	0.51%	830,800
B&B Properties LLC	748,500	0.51%	809,900
Individual Property Owner #2	718,800	0.49%	758,400
Warren House LLC	695,400	0.47%	748,500
Total	\$ 12,234,900	8.26%	\$ 13,787,603

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

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

Holland Township				
Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Genon Energy Services	\$ 6,515,900	1.04%	\$ 8,000,000	1.04%
Individual Property Owner #1	3,618,500	0.58%	5,143,500	0.67%
Georgia Pacific Corporation	2,789,400	0.45%	3,300,000	0.43%
Oak Hill Golf Club Inc	2,729,000	0.44%	3,268,000	0.42%
Columbia Gas	1,897,400	0.30%	2,206,500	0.29%
Individual Property Owner #2	1,562,500	0.25%	1,900,000	0.25%
Individual Property Owner #3	1,463,000	0.23%	1,627,553	0.21%
Holland Retail LLC	1,228,700	0.20%	1,600,000	0.21%
KJA Holdings Inc.	1,178,500	0.19%	1,349,500	0.17%
Verizon	1,115,505	0.18%	1,226,300	0.16%
Total	\$ 24,098,405	3.85%	\$ 29,621,353	3.84%

Kingwood Township				
Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Buckeye Pipeline Co	\$ 4,575,000	0.74%	\$ 10,414,400	1.72%
Kingwood Flex LLC	4,188,100	0.68%	4,919,200	0.81%
Mel Chemicals Inc.	3,498,200	0.57%	3,837,300	0.63%
Buckeye Pipeline Co	3,040,000	0.49%	3,699,500	0.61%
Perini Properties Inc	2,895,500	0.47%	3,279,100	0.54%
Frenchtown III Solar LLC (1)	2,628,700	0.43%	2,500,000	0.41%
869 Associates LLC	2,324,100	0.38%	1,833,400	0.30%
Frenchtown III Solar LLC (2)	1,657,500	0.27%	1,760,300	0.29%
Individual Property Owner #1	1,650,800	0.27%	1,748,200	0.29%
Frenchtown II Solar LLC	1,500,000	0.24%	1,552,600	0.26%
Total	\$ 27,957,900	4.53%	\$ 35,544,000	5.86%

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

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

		Milford Borough			
		2019		2010	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Pinecrest Village Associates (c/o Branch)	\$ 2,900,000	2.50%	Royal Blue Papers	\$ 7,500,000	6.38%
International Paper Company	1,336,600	1.15%	Pinecrest Village Associates (c/o Branch)	3,238,200	2.75%
Hunterdon Medical Center	1,131,000	0.98%	Hunterdon Medical Center	1,131,000	0.96%
60 Bridge Street LLC	805,500	0.69%	Barbieri Brothers Corp	832,100	0.71%
60 Bridge Street LLC	702,100	0.61%	TD Banknorth	702,100	0.60%
Peter Trustee Kerl	573,700	0.49%	Peter Trustee Kerl	573,700	0.49%
Individual Property Owner #1	539,100	0.46%	Individual Property Owner #1	539,700	0.46%
Stem Brothers	523,700	0.45%	Stem Brothers	523,700	0.45%
Individual Property Owner #2	504,800	0.44%	The Baker Acquisition Corp	490,400	0.42%
Ingahdwe Trust	485,400	0.42%	Individual Property Owner #2	466,800	0.40%
Total	\$ 9,501,900	8.19%		\$ 15,997,700	13.60%

Source: Municipal Tax Assessors

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

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 12,930,722	\$ 12,930,722	100.00%	\$ - 0 -
2011	12,820,616	12,820,616	100.00%	- 0 -
2012	13,190,170	13,190,170	100.00%	- 0 -
2013	13,482,637	13,482,637	100.00%	- 0 -
2014	13,690,086	13,690,086	100.00%	- 0 -
2015	14,103,870	14,103,870	100.00%	- 0 -
2016	14,362,182	14,362,182	100.00%	- 0 -
2017	14,610,141	14,610,141	100.00%	- 0 -
2018	14,609,541	14,609,541	100.00%	- 0 -
2019	14,748,585	14,748,585	100.00%	- 0 -

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Capital Leases			
2010	\$ 4,469,000			\$ 4,469,000	0.36%	\$ 260.90
2011	4,039,000			4,039,000	0.35%	235.80
2012	3,535,000		\$ 422,609	3,957,609	0.33%	237.59
2013	3,055,000		341,320	3,396,320	0.27%	204.09
2014	2,580,000	\$ 189,277	258,446	3,027,723	0.24%	183.39
2015	2,090,000	1,591,747	1,033,261	4,715,008	0.37%	285.67
2016	1,585,000	1,180,698	1,189,865	3,955,563	0.30%	240.65
2017	1,065,000	763,262	854,584	2,682,846	0.20%	163.63
2018	530,000	454,285	999,051	1,983,336	0.14%	121.99
2019		2,707,003	937,116	3,644,119	0.26%	224.34

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	\$ 4,468,000	\$ -0-	\$ 4,468,000	0.18%	\$ 261
2011	4,039,000	-0-	4,039,000	0.16%	242
2012	3,535,000	-0-	3,535,000	0.14%	212
2013	3,055,000	-0-	3,055,000	0.12%	185
2014	2,580,000	-0-	2,580,000	0.12%	156
2015	2,090,000	-0-	2,090,000	0.09%	127
2016	1,585,000	-0-	1,585,000	0.07%	97
2017	1,065,000	-0-	1,065,000	0.05%	66
2018	530,000	-0-	530,000	0.02%	33
2019	-0-	-0-	-0-	0.00%	-0-

Source: School District Financial Reports

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

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

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Debt Repaid With Property Taxes</u>			
Alexandria Township	\$ 5,172,230	100.00%	\$ 5,172,230
Frenchtown Borough	2,379,694	100.00%	2,379,694
Holland Township	-0-	100.00%	-0-
Kingwood Township	2,379,694	100.00%	2,379,694
Milford Borough	641,771	100.00%	641,771
Hunterdon County County General Obligation Debt (All Constituent Municipalities) (1)	83,452,933	11.03%	9,205,545
Subtotal, Overlapping Debt			<u>19,778,934</u>
Delaware Valley Regional High School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 19,778,934</u>

(1) Alexandria Township/County of Hunterdon -	3.61%
(1) Frenchtown Borough/County of Hunterdon -	0.83%
(1) Holland Township/County of Hunterdon -	3.11%
(1) Kingwood Township/County of Hunterdon -	2.90%
(1) Milford Borough/County of Hunterdon -	0.58%

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

^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.

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

	Total Equalized Valuation Basis
2016	\$ 2,327,726,022
2017	2,360,301,551
2018	2,362,580,158
	\$ 7,050,607,731
Average Equalized Valuation of Taxable Property	\$ 2,350,202,577
Debt Limit (3% of average equalization value) ^a	\$ 70,506,077
Net Bonded School Debt as of June 30, 2019	-0-
Legal Debt Margin	\$ 70,506,077

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Debt Limit	\$ 83,850,857	\$ 81,655,498	\$ 78,254,366	\$ 75,789,695	\$ 77,884,791
Total Net Debt Applicable to Limit	4,468,000	4,039,000	3,535,000	3,055,000	2,580,000
Legal Debt Margin	\$ 79,382,857	\$ 77,616,498	\$ 74,719,366	\$ 72,734,695	\$ 75,304,791
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	5.33%	4.95%	4.52%	4.03%	3.31%

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Debt Limit	\$ 70,366,993	\$ 69,850,520	\$ 69,934,555	\$ 70,260,638	\$ 70,506,077
Total Net Debt Applicable to Limit	2,090,000	1,585,000	1,065,000	530,000	-0-
Legal Debt Margin	\$ 68,276,993	\$ 68,265,520	\$ 68,869,555	\$ 69,730,638	\$ 70,506,077
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.97%	2.27%	1.52%	0.75%	0.00%

a Limit set by NJSA 18A:24-19 for a regional high school district; other % limits would be applicable for other districts.

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

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

Alexandria Township

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2010	4,895	\$ 342,738,110	\$ 70,018	11.50%
2011	4,880	350,876,880	71,901	11.80%
2012	4,854	364,812,078	75,157	11.80%
2013	4,839	362,537,880	74,920	8.00%
2014	4,825	378,468,175	78,439	4.50%
2015	4,811	388,858,697	80,827	4.10%
2016	4,784	397,937,904	83,181	3.80%
2017	4,786	414,414,954	86,589	3.80%
2018	4,758	411,990,462 ***	86,589 *	3.20%
2019	4,758 **	411,990,462 ***	86,589 *	N/A

Frenchtown Borough

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2010	1,393	\$ 97,535,074	\$ 70,018	6.50%
2011	1,432	102,962,232	71,901	6.70%
2012	1,379	103,641,503	75,157	6.70%
2013	1,412	105,787,040	74,920	6.70%
2014	1,409	110,520,551	78,439	5.20%
2015	1,407	113,723,589	80,827	3.30%
2016	1,362	113,292,522	83,181	3.10%
2017	1,366	118,280,574	86,589	2.80%
2018	1,353	117,154,917 ***	86,589 *	3.00%
2019	1,353 **	117,154,917 ***	86,589 *	N/A

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

Holland Township

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2010	5,314	\$ 372,075,652	\$ 70,018	8.20%
2011	5,282	379,781,082	71,901	8.40%
2012	5,252	394,724,564	75,157	8.40%
2013	5,238	392,430,960	74,920	7.60%
2014	5,220	409,451,580	78,439	5.30%
2015	5,197	420,057,919	80,827	4.60%
2016	5,160	429,213,960	83,181	4.20%
2017	5,151	446,019,939	86,589	3.50%
2018	5,106	442,123,434 ***	86,589 *	3.40%
2019	5,106 **	442,123,434 ***	86,589 *	N/A

Kingwood Township

Year	Population ^a	Personal Income ^b	Hunterdon County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2010	3,828	\$ 268,028,904	\$ 70,018	7.80%
2011	3,829	275,308,929	71,901	8.00%
2012	3,812	286,498,484	75,157	8.00%
2013	3,807	285,220,440	74,920	4.90%
2014	3,778	296,342,542	78,439	4.90%
2015	3,779	305,445,233	80,827	4.70%
2016	3,759	312,677,379	83,181	3.90%
2017	3,752	324,881,928	86,589	3.90%
2018	3,738	323,669,682 ***	86,589 *	3.50%
2019	3,738 **	323,669,682 ***	86,589 *	N/A

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

Milford Borough

Year	Population ^a	Personal Income ^b	Hunterdon County Per Capita Personal Income ^c	Unemployment Rate ^d
2010	1,227	\$ 85,912,086	\$ 70,018	12.50%
2011	1,218	87,575,418	71,901	12.90%
2012	1,213	91,165,441	75,157	12.90%
2013	1,209	90,578,280	74,920	5.90%
2014	1,205	94,518,995	78,439	5.10%
2015	1,202	97,154,054	80,827	5.20%
2016	1,193	99,234,933	83,181	4.70%
2017	1,189	102,954,321	86,589	3.30%
2018	1,180	102,175,020 ***	86,589 *	3.30%
2019	1,180 **	102,175,020 ***	86,589 *	N/A

* - Latest Hunterdon County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

*** - Latest Township/Borough personal income available (2017) was used for calculation purposes.

N/A - Information not available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

UNAUDITED

	2018			2009		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Foster Wheeler North America		2,500	3.79%	Merck & Co.	1,800	3.67%
Hunterdon Pain Ctr		2,000	3.03%	Chubb Insurance Co.	1,500	3.06%
Hunterdon Developmental Ctr		1,500	2.27%	Foster Wheeler	1,432	2.92%
Chubb Group Of Insurance Co		900	1.36%	ExxonMobil Research & Eng.	970	1.98%
Edna Mahan Correctional Felty		615	0.93%	Hunterdon County	920	1.88%
Johanna Foods Inc		500	0.76%	Johanna Foods	492	1.00%
Readington Middle School		420	0.64%	Shop Rite of Hunterdon	440	0.90%
Hunterdon Central High School		400	0.61%	A.M. Best	423	0.86%
New York Life		400	0.61%	BOC Inc.	389	0.79%
Shop Rite		360	0.55%	Wedco	318	0.65%
Total		9,595	14.54%		8,684	17.72%

Source: Hunterdon County Area Chamber of Commerce

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

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

<u>Function/Program:</u>	<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>	<u>2019</u>
Instruction:										
Regular	61.0	52.5	56.0	55.0	58.5	59.5	57.5	55.4	52.9	50.5
Special Education	34.0	31.0	28.0	25.8	25.8	13.0	25.8	26.0	24.0	24.0
Other	1.0	2.0	2.5	3.0	3.0	3.0	2.0	5.0	4.0	5.0
Support Services:										
Student & Instruction Related Services	23.3	23.3	24.3	23.8	26.8	38.5	27.8	22.1	30.6	29.8
School Administrative Services	5.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
General and Business Administrative Services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Central Services	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.7	3.7
Administration Information Technology	1.0	0.5	0.5	0.5	0.5	1.5	1.5	1.5	1.0	1.0
Plant Operations and Maintenance	10.5	9.5	11.0	10.5	11.5	11.5	11.5	11.5	12.5	13.5
Pupil Transportation	37.0	31.0	32.0	37.0	49.0	46.1	67.0	59.0	56.0	57.0
Total	177.8	158.8	164.3	165.6	185.1	183.1	203.1	190.5	191.2	191.0

Source: School District Financial Reports

DELAWARE 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
						High School	School				
2010	1018	\$ 17,475,490	\$ 17,887	1.91%	87.0	10:1		965.9	914.2	1.09%	94.65%
2011	1002	16,779,242	16,483	-7.85%	85.5	12:1		1,002.4	946.9	3.78%	94.46%
2012	972	17,513,459	17,479	6.04%	86.5	12:1		943.4	895.8	-5.89%	94.95%
2013	977	17,953,922	18,471	5.68%	85.3	12:1		961.3	908.0	1.90%	94.46%
2014	958	18,573,921	19,011	2.92%	80.0	13:1		945.3	900.3	-1.66%	95.24%
2015	899	18,655,464	19,473	2.43%	79.5	12:1		893.8	852.2	-5.45%	95.35%
2016	891	19,293,445	21,654	11.20%	77.5	12:1		880.3	842.4	-1.51%	95.69%
2017	876	19,292,744	22,024	1.71%	71.0	12:1		828.2	785.9	-5.92%	94.89%
2018	801	19,844,955	24,775	12.49%	68.7	12:1		693.5	660.2	-16.26%	95.20%
2019	730	20,467,682	28,038	13.17%	68.0	12:1		670.1	648.5	-3.37%	96.78%

Sources: School District Records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>High School</u>										
Square Feet	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000
Capacity (students)	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Enrollment	1,018	1,002	972	977	958	899	891	876	801	730

Number of Schools at June 30, 2019
 High School = 1

Source: School District Records

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

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

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

Facility	Project #(s)	2010	2011	2012	2013	2014
<u>School Facilities:</u>						
Delaware Valley Regional High School District	N/A	\$ 159,439	\$ 239,246	\$ 179,706	\$ 244,549	\$ 363,977

Facility	Project #(s)	2015	2016	2017	2018	2019
<u>School Facilities:</u>						
Delaware Valley Regional High School District	N/A	\$ 302,091	\$ 519,761	\$ 457,695	\$ 364,134	\$ 396,514

N/A - Not Applicable

Source: Delaware Valley Regional High School District records

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
UNAUDITED

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

Source: Delaware Valley Regional High School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Delaware Valley Regional High School District, in the County of Hunterdon (the "District") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

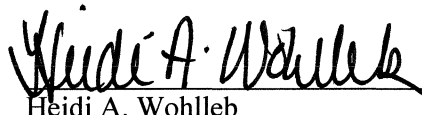
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Mount Arlington, New Jersey
November 8, 2019

NISIVOCIA, LLP



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



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Delaware Valley Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2019. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

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

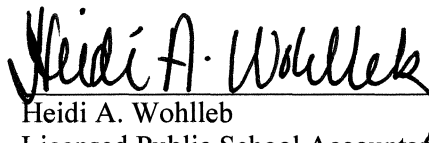
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Mount Arlington, New Jersey
November 8, 2019

NISIVOCCIA, LLP



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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass Through Grantor Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2018		Cash Received	Budgetary Expenditures	Balance 6/30/2019		
					(Accounts Receivable)	Unearned Revenue			(Accounts Receivable)	Unearned Revenue	
										Amount Provided to Subrecipients	
U.S. Department of Education											
Passed-Through State Department of Education											
Special Revenue Fund:											
Elementary and Secondary Education Act:											
Title I, Part A	84.010	ESEA105018	7/1/17-6/30/18	\$23,926	\$ (6,140)	\$ 6,140	\$ (2,138)				
Title I, Part A	84.010	ESEA105019	7/1/18-6/30/19	36,982		22,384	\$ (24,522)				
Title II, Part A	84.367	ESEA105019	7/1/18-6/30/19	12,724		9,225	(12,724)			(3,499)	
Title III, Part A	84.365	ESEA105019	7/1/18-6/30/19	571		571	(571)				
Title IV, Part A	84.424	ESEA105019	7/1/18-6/30/19	12,140		4,750	(12,140)			(7,390)	
Total Elementary and Secondary Education Act					(6,140)		43,070	(49,957)		(13,027)	
Emergency Impact Aid for Displaced Students											
	84.938C	N/A	7/1/17-6/30/18	4,750	(4,750)	4,750					
Special Education Cluster:											
I.D.E.A. Part B, Basic	84.027	IDEA105019	7/1/18-6/30/19	160,566		160,566	(160,566)				
Total Special Education Cluster							160,566	(160,566)			
Total Special Revenue Fund					(10,890)		208,386	(210,523)		(13,027)	
U.S. Department of Agriculture											
Passed-Through State Department of Education:											
Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	11,067		11,067	(9,060)			\$ 2,007	
Food Distribution Program	10.555	N/A	7/1/17-6/30/18	11,507			(921)				
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	3,063		2,976	(3,063)			(87)	
School Breakfast Program	10.553	N/A	7/1/17-6/30/18	4,101		132					
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	26,615		25,918	(26,615)			(697)	
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	27,660		650					
Total Child Nutrition Cluster					(782)	921	40,743	(39,659)		(784)	2,007
Total Federal Awards					\$ (11,672)	\$ 921	\$249,129	\$ (250,182)		\$ (13,811)	\$ 2,007
										\$ -0-	

N/A - Not Applicable

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Project or State Number	Grant Period	Award Amount	Balance 6/30/2018		Cash Received	Balance 6/30/2019		Memo	
				Budgetary (Accounts Receivable)	Budgetary Expenditures		GAAP (Accounts Receivable)	Budgetary Expenditures	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
NJ Department of Education:										
Equalization Aid	19-495-034-5120-078	7/01/18-6/30/19	\$ 3,173,700		\$ 2,858,356	\$ (3,173,700)		\$ (315,344)	\$ 3,173,700	
Categorical Special Education Aid	19-495-034-5120-089	7/01/18-6/30/19	592,662		533,774	(592,662)		(58,888)	592,662	
Categorical Transportation Aid	19-495-034-5120-034	7/01/18-6/30/19	17,291		15,573	(17,291)		(1,718)	17,291	
Categorical Security Aid	19-495-034-5120-084	7/01/18-6/30/19	74,763		67,334	(74,763)		(7,429)	74,763	
Extraordinary Aid	19-495-034-5120-044	7/01/18-6/30/19	256,500			(256,500)		(256,500)	256,500	
Non-Public Transportation	19-495-034-5120-014	7/01/18-6/30/19	3,770			(3,770)		(3,770)	3,770	
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/01/18-6/30/19	493,303		465,640	(493,303)		(27,663)	493,303	
Equalization Aid	18-495-034-5120-078	7/01/17-6/30/18	3,173,700	\$ (315,046)	315,046				3,173,700	
Categorical Transportation Aid	18-495-034-5120-014	7/01/17-6/30/18	116,642	(11,579)	11,579				116,642	
Categorical Special Education Aid	18-495-034-5120-089	7/01/17-6/30/18	592,662	(58,832)	58,832				592,662	
Categorical Security Aid	18-495-034-5120-084	7/01/17-6/30/18	74,763	(7,422)	7,422				74,763	
Adjustment Aid	18-495-034-5120-085	7/01/17-6/30/18	21,693	(2,153)	2,153				21,693	
PARCC Readiness Aid	18-495-034-5120-098	7/01/17-6/30/18	9,080	(901)	901				9,080	
Per Pupil Growth Aid	18-495-034-5120-097	7/01/17-6/30/18	9,080	(901)	901				9,080	
Professional Learning Community Aid	18-495-034-5120-101	7/01/17-6/30/18	8,210	(815)	815				8,210	
Extraordinary Aid	18-495-034-5120-044	7/01/17-6/30/18	202,406	(201,658)	202,406	(748)			202,406	
Non-Public Transportation	18-495-034-5120-014	7/01/17-6/30/18	3,506	(3,506)	3,506				3,506	
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/01/18-6/30/19	597,104		597,104	(597,104)			597,104	
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/01/18-6/30/19	1,289,381		1,289,381	(1,289,381)			1,289,381	
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/01/18-6/30/19	26,990		26,990	(26,990)			26,990	
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/01/18-6/30/19	1,161		1,161	(1,161)			1,161	
Total General Fund State Aid					6,458,874	(6,527,373)		(671,312)	10,738,367	
Special Revenue Fund:										
Vocational State Shared Grant	18-100-054-5062-032	4/01/15-6/30/19	590,096		17,680				210,358	
Total Special Revenue Fund					17,680				210,358	
Total NJ Department of Education					6,476,554	(6,527,373)		(671,312)	10,948,725	

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance 6/30/2018		Cash Received	Budgetary Expenditures	Cancelled	Balance 6/30/2019		Memo	
				Budgetary (Accounts Receivable)	(Accounts Receivable)				(Accounts Receivable)	Budgetary (Accounts Receivable)	Cumulative Total Expenditures	
State Department of Agriculture												
Enterprise Funds:												
State School Lunch Program	19-100-010-3350-023	7/01/18-6/30/19	\$ 1,951		\$ 1,900	\$ (1,951)			\$ (51)	\$ (51)	\$	1,951
State School Lunch Program	18-100-010-3350-023	7/01/17-6/30/18	1,930	(42)	42							1,930
Total Enterprise Fund				(42)	1,942	(1,951)			(51)	(51)		3,881
NJ School Development Authority (SDA)												
Capital Projects Fund:												
Window Replacement	1050-040-14-1002	7/01/14-6/30/19	1,041,770	(1,041,770)	808,984	(1,022,889)	18,881		(213,905)	(213,905)		1,022,889
Total Capital Projects Fund				(1,041,770)	808,984	(1,022,889)	18,881		(213,905)	(213,905)		1,022,889
Total State Awards Subject to Single Audit Determination				\$ (1,662,305)	\$ 7,287,480	(7,552,213)	\$ 18,881		\$ (501,889)	\$ (885,268)		\$ 11,975,495
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/01/18-6/30/19	597,104			597,104						
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/01/18-6/30/19	1,289,381			1,289,381						
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/01/18-6/30/19	26,990			26,990						
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/01/18-6/30/19	1,161			1,161						
Subtotal - On-Behalf TPAF Pension System Contributions						1,914,636						
Total State Awards Subject to Single Audit Major Program Determination												\$ (5,637,577)

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Delaware Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2019. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,270 for the General Fund, \$9,139 for the special revenue fund, and \$1,022,889 for the capital projects fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,541,643	\$ 6,541,643
Special Revenue Fund	\$ 212,373	7,289	219,662
Capital Projects		1,022,889	1,022,889
Food Service Fund	39,659	1,951	41,610
Total Awards	<u>\$ 252,032</u>	<u>\$ 7,573,772</u>	<u>\$ 7,825,804</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$1,041,770 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2019, the grant funds have been expended and submitted for reimbursement. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

During the fiscal year ended June 30, 2019, the District submitted for reimbursement and collected \$808,984 of SDA grant funds under the grant award. An amount of \$18,881 was cancelled on the award and \$213,905 is receivable.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019 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>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Aid Public:				
Categorical Special Education Aid	19-495-034-5120-089	7/01/18-6/30/19	\$ 592,662	\$ 592,662
Equalization Aid	19-495-034-5120-078	7/01/18-6/30/19	3,173,700	3,173,700
Categorical Security Aid	19-495-034-5120-084	7/01/18-6/30/19	74,763	74,763
NJ Schools Development Authority (SDA):				
Window Replacement	1050-040-14-1002	7/01/14-6/30/19	1,041,770	1,022,889

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Summary of Auditors' Results (Cont'd):

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings:

The District had no prior year audit findings.