

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

Demarest, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Northern Valley Regional High School District

Demarest, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by

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

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INTRODUCTORY SECTION

Northern Valley

Regional High School District



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

November 18, 2019

Honorable President and Members of the Board of Education

Northern Valley Regional High School District

Demarest, N.J. 07627

Dear Board Members:

The Comprehensive Annual Financial Report of the Northern Valley Regional High School District for the fiscal year ending June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in the report is accurate in all material respects. The report is designed to present an open review of the financial position and operational results of the District's various funds. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

The Northern Valley Regional High School District is comprised of the municipalities of Closter, Demarest, and Haworth that are constituents of the high school in Demarest. Harrington Park, Northvale, Norwood, and Old Tappan are constituents of the high school at Old Tappan. The 17.3 square mile district has a population of 37,401 as per the 2010 census. The primary language spoken at home is: English 78.0% Korean 12.4%, Hebrew 2.3%, Spanish 2.1%, Mandarin .9%, Russian .8%, and Other 2.65%. All of the communities are considered upper middle class. The District's high schools house grades 9 through 12 with enrollments of 992 at Demarest High school and 1,206 at Old Tappan High School, based on the October 15, 2018 ASSA report. The Valley Regional program leases one non-public school location as well as classrooms at local district Public Schools to house 207 Special Education students from 45 different Districts.

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

The faculty consists of 300 teachers with 85% holding advanced degrees. This represents certified staff in the high schools and the regional programs. Often our staff members achieve recognition as outstanding educators.

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

2) **ECONOMIC CONDITION AND OUTLOOK:** The Northern Valley Regional High School District is economically stable. Unemployment in Bergen County is 3.4% as of 2018 and the per capita income is \$81,013 as of 2017. This is the latest information available on record. The County of Bergen still remains the 4th highest amongst New Jersey counties and above state average. Bergen County, New Jersey is considered one of the wealthiest areas in the nation. The population of the area has remained stable since 1970. The population grew substantially between 1950 and 1970. School facilities were constructed to accommodate the educational needs. Additions were added to the school in 2004. State Aid to public school districts in New Jersey is based on the School Funding Reform Act (the "Act")

The Act is an attempt to equalize educational expenditures per pupil between wealthy and poorer school districts. The last several years the Department of Education has abandoned the State Aid formulas, which support transportations aid, technology aid, special education aid, and bilingual aid due to the State financial debt. The State's inability to financially support public schools is a current topic of debate before the citizens. The District maintains a balance in their capital reserve account and set aside funds from the 2018-2019 year as a reserve to reduce the subsequent year tax levy. Uncertainty of state aid impacts the district's ability to plan future tax relief and facility upgrades.

The district received \$2,189,032 of State Aid for the 2018-2019 school budget for the general fund. Northern Valley Regional High School District recognized the State's contribution on behalf for TPAF Pension and Social Security. These contributions are equivalent to approximately 12% of the adjusted budget, while the school district State Aid is 4% of the net school budget. The district also recognized that the State of NJ has not funded the pension contribution stated in the fiscal section of the audit. Future funding of New Jersey school districts is uncertain at this time based on the States concerns that property taxes are the highest in the country.

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

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

Specific accounting controls secure district assets by processes for receipt of revenue, disbursement of purchase orders and payroll. Receipts are recorded and reconciled. Purchasing controls include multiple signatures on purchasing requests and counter signatures on disbursements warrants. Additionally, new personnel go through a series of independent documentation before the payroll process begins. The administration provides

controls that exceed minimum requirements in all of these areas.

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

5) **BUDGETARY CONTROLS:** The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual budget approved by the voters of the District. The budget reflected a 2.28% increase in the tax levy. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Capital project budgets are approved for building infrastructure improvements and are funded from the Capital Reserve Account or the issuance of long-term debt. The fund budget amounts, as amended for the fiscal year, are reflected in the financial section. Expenditures are recorded by department and location for internal purposes. This permits supervisors and administrators to monitor encumbrances so not to exceed budgetary allocations.

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

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

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

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

The district total obligation in bonds as of June 30, 2019 is \$17,282,000 (see below).

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	BALANCE JUNE 30, 2019
Refunding Bonds	02/02/2017	\$7,400,000.00	\$4,590,000.00
School Improvements improvements to roofs and exterior items; windows and brick replacement	8/4/2009	\$2,290,000.00	\$1,485,000.00
School Improvements upgrades to auditoriums, addition of Physics, forensic and STEM classrooms	7/12/2016	\$11,707,000.00	\$11,207,000.00
DISTRICT TOTAL OBLIGATION AS OF JUNE 30,2019			\$17,282,000.00

The district's additions at both high schools allow students to enjoy facilities that are appropriate for today's educational program. The district will continue the prudent fiscal path during the 2019-2020 school year to provide the constituent districts with a favorable tax impact and maintain high quality facilities with reasonable longevity.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements"; Note 3 The District has an approved policy authorizing the board secretary to invest current funds within the limitations of the State of New Jersey statutes. Excess funds are invested according to procedures on a continuous basis. This resulted in \$165,758 interest income for the 2018-2019 school year. This represents an increase in interest income from the previous year's total of \$55,529. This year's interest is inclusive of \$10,353 of interest from the Capital Projects fund.

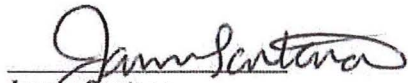
9) RISK MANAGEMENT: The Board of Education policy states that the appropriate insurance coverage is attained at the most reasonable cost. The Board carries several types of insurance including property and liability. Property insurance including all buildings and contents is limited to \$104,820,096 loss. All insurance claims are handled through the Board Secretary and the Board appointed risk manager. These insurance limits represent significant increases in coverage with a new insurance carrier, New Jersey School Board Association Insurance Group.

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

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

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

Respectfully Submitted


James Santana
Superintendent


Marc A. Capizzi ,
School Business Administrator/
Board Secretary

Programs

Neil Moles

Valley

Occupational & Physical Therapy

Gifted & Talented

Senior Options – Structured Learning Experience

Professional Development

Teens & Tots

Little Tots

Athletic

Access

Curriculum Development

Home Consulting

Summer K-8

Psychiatric

Speech Evaluations

Learning Evaluations

Behavior Evaluations

Social Skills - After School

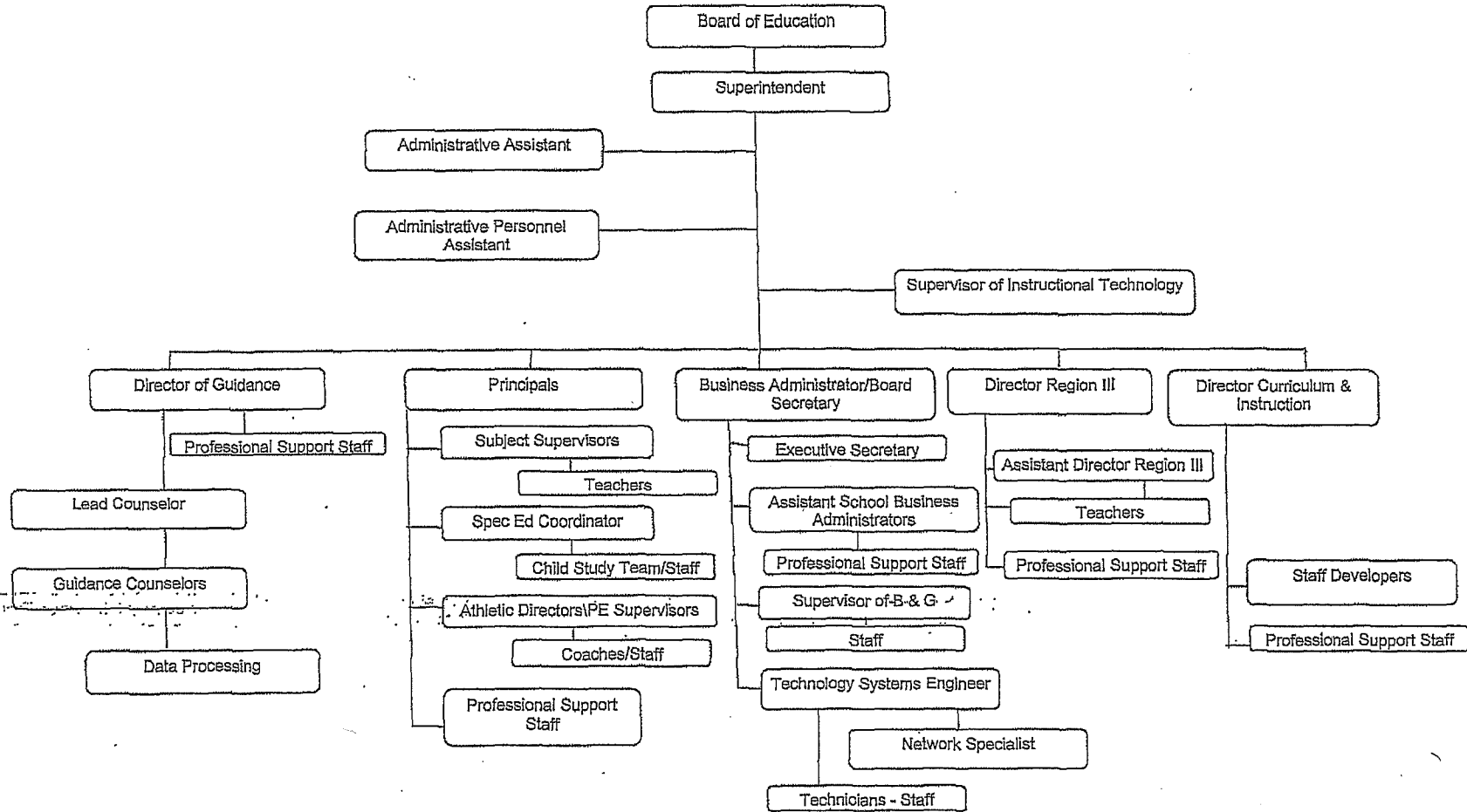
Summit Success

TIP

SLICE

Summit Academy

NORTHERN VALLEY REGIONAL HIGH SCHOOL ORGANIZATIONAL CHART



F.T.A.

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

Members of the Board of Education	Term Expires
Mr. Joseph Argenziano, President	2020
Mr. Ghanshyam C. Vaghasia, Vice President	2021
Mr. John Massaro	2019
Mr. Dan Eller	2021
Mr. Raffi Jamgotchian	2019
Mrs. Tiffany Kaplan	2020
Dr. George Kipel	2019
Mr. Peter Micera	2021
Mrs. Jessica Spillane	2020
Mr. James Santana	Superintendent
Mr. Marc A. Capizzi	Business Administrator/ Board Secretary
Ms. Colleen Briggs	Assistant Business Administrator
Mr. Daniel Hauser	Assistant Business Administrator
Dr. Timothy Gouraige	Principal, NVRHS at Demarest
Dr. Bruce Sabatini	Principal, NVRHS at Old Tappan
Ms. Kathy Vuoncino	Principal, NVRHS Principal/Director Northern Valley Central

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors

Architect

Di Cara Rubino Architects
30 Galesi Drive West Wing
Wayne, NJ 07470

Attorney

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

Auditor

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

Official Depository

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

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Information

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

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

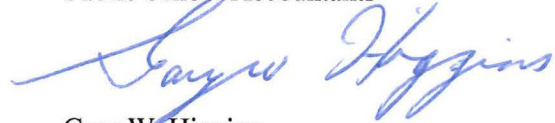
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2019 on our consideration of the Northern Valley Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northern Valley Regional High School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Northern Valley Regional High School District's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 18, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

The discussion and analysis of the Northern Valley Regional High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- General revenues accounted for \$56,211,410 in revenue or 55 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$46,757,123 or 45 percent of all revenues. Special items accounted for \$11,234 or less than 1 percent of total revenues of \$102,979,767.
- Total net position of governmental activities amounted to \$(11,445,547) as of June 30, 2019.
- The District had \$73,103,362 in expenses related to governmental activities; only \$18,994,789 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$56,140,775 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$65,801,081 in revenues and other financing sources and \$64,553,812 in expenditures and other financing uses. The General Fund's fund balance increased in the fiscal year ended June 30, 2019 by \$1,247,269 from the fiscal year ended June 30, 2018 balance of \$4,684,111 to \$5,931,380.

Using the Comprehensive Annual Financial report (CAFR)

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

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2019?" The *Statement of Net position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

Table 1 provides a summary of the District's net position as of June 30, 2019 and 2018.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current Assets	\$ 7,408,194	\$ 5,733,619	\$ 5,587,454	\$ 4,758,617	\$ 12,995,648	\$ 10,492,236
Capital Assets	19,362,610	19,727,656	92,748	106,483	19,455,358	19,834,139
Total Assets	<u>26,770,804</u>	<u>25,461,275</u>	<u>5,680,202</u>	<u>4,865,100</u>	<u>32,451,006</u>	<u>30,326,375</u>
Deferred Outflows of Resources	<u>4,083,282</u>	<u>5,764,303</u>	<u>2,675,800</u>	<u>4,158,202</u>	<u>6,759,082</u>	<u>9,922,505</u>
Total Assets and Deferred Outflows of Resources	<u>30,854,086</u>	<u>31,225,578</u>	<u>8,356,002</u>	<u>9,023,302</u>	<u>39,210,088</u>	<u>40,248,880</u>
Liabilities						
Long-Term Liabilities	35,068,903	39,593,331	10,929,361	13,701,552	45,998,264	53,294,883
Other Liabilities	1,525,283	1,053,352	251,004	46,560	1,776,287	1,099,912
Total Liabilities	<u>36,594,186</u>	<u>40,646,683</u>	<u>11,180,365</u>	<u>13,748,112</u>	<u>47,774,551</u>	<u>54,394,795</u>
Deferred Inflows of Resources	<u>5,705,447</u>	<u>4,040,307</u>	<u>3,751,427</u>	<u>2,925,739</u>	<u>9,456,874</u>	<u>6,966,046</u>
Total Liabilities and Deferred Inflows of Resources	<u>42,299,633</u>	<u>44,686,990</u>	<u>14,931,792</u>	<u>16,673,851</u>	<u>57,231,425</u>	<u>61,360,841</u>
Net Position						
Net Investment in Capital Assets	1,751,382	(212,540)	92,748	106,483	1,844,130	(106,057)
Restricted	4,567,420	3,450,445			4,567,420	3,450,445
Unrestricted	(17,764,349)	(16,699,317)	(6,668,538)	(7,757,032)	(24,432,887)	(24,456,349)
Total Net Position	<u>\$ (11,445,547)</u>	<u>\$ (13,461,412)</u>	<u>\$ (6,575,790)</u>	<u>\$ (7,650,549)</u>	<u>\$ (18,021,337)</u>	<u>\$ (21,111,961)</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

The District's combined net position were \$(18,021,337) and \$(21,111,961) on June 30, 2019 and 2018, respectively. This was an increase of \$3,090,624 or 15 percent from the fiscal year ended June 30, 2018.

Table 2 shows changes in net position for the fiscal years ended June 30, 2019 and 2018.

Change in Net Position
For The Years Ended June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 705,287	\$ 615,074	\$ 22,994,022	\$ 22,896,645	\$ 23,699,309	\$ 23,511,719
Operating Grants and Contributions	18,239,000	22,383,681	4,768,312	5,748,006	23,007,312	28,131,687
Capital Grants and Contributions	50,502	29,250			50,502	29,250
General Revenues						
Property Taxes	55,306,997	53,958,048			55,306,997	53,958,048
State and Federal Aid	240,764	237,545			240,764	237,545
Other	593,014	504,924	70,635	27,598	663,649	532,522
Special Items						
Change in Net Pension Liability	-	-	11,234	113,636	11,234	113,636
Total Revenues	<u>75,135,564</u>	<u>77,728,522</u>	<u>27,844,203</u>	<u>28,785,885</u>	<u>102,979,767</u>	<u>106,514,407</u>
Expenses						
Instruction						
Regular	35,994,518	37,509,266			35,994,518	37,509,266
Special Education	7,038,978	9,014,717			7,038,978	9,014,717
Other Instruction	384,015	367,800			384,015	367,800
School Sponsored Activities, Athletics and Programs	3,430,891	3,893,781			3,430,891	3,893,781
Support Services						
Student and Instruction Related Services	9,196,610	9,705,031			9,196,610	9,705,031
General and Business Administration Services	2,412,294	2,520,207			2,412,294	2,520,207
School Administration Services	4,817,049	4,722,623			4,817,049	4,722,623
Plant Operations and Maintenance	7,391,167	6,931,247			7,391,167	6,931,247
Pupil Transportation	2,040,701	1,756,972			2,040,701	1,756,972
Interest on Long-Term Debt	397,139	428,469			397,139	428,469
Business-type Activities	-	-	26,785,781	30,326,818	26,785,781	30,326,818
Total Expenses	<u>73,103,362</u>	<u>76,850,113</u>	<u>26,785,781</u>	<u>30,326,818</u>	<u>99,889,143</u>	<u>107,176,931</u>
Change in Net Position	2,032,202	878,409	1,058,422	(1,540,933)	3,090,624	(662,524)
Transfers	(16,337)	66,578	16,337	(66,578)	-	-
Net Position, Beginning of Year	<u>(13,461,412)</u>	<u>(14,406,399)</u>	<u>(7,650,549)</u>	<u>(6,043,038)</u>	<u>(21,111,961)</u>	<u>(20,449,437)</u>
Net Position, End of Year	<u>\$ (11,445,547)</u>	<u>\$ (13,461,412)</u>	<u>\$ (6,575,790)</u>	<u>\$ (7,650,549)</u>	<u>\$ (18,021,337)</u>	<u>\$ (21,111,961)</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Governmental Activities

The District's total governmental activities revenues were \$73,135,564 and \$77,728,522 for the years ended June 30, 2019 and 2018, respectively. Property taxes made up 74 and 69 percent of revenues for governmental activities for the Northern Valley Regional High School District for fiscal years 2019 and 2018, respectively. Federal, state and local grants and aid accounted for 25 and 29 percent of revenue for the fiscal years ended June 30, 2019 and 2018, respectively.

The total cost of all programs and services was \$73,103,362 and \$76,850,113 for the fiscal years ended June 30, 2019 and 2018, respectively. Instruction comprises 64 and 66 percent of governmental program expenses for the years ended June 30, 2019 and 2018, respectively. Support services expenses make up 35 and 33 percent of governmental expenses for the years ended June 30, 2019 and 2018, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 35,994,518	\$ 37,509,266	\$ 25,160,076	\$ 24,470,939
Special Education	7,038,978	9,014,717	3,964,670	4,713,039
Other Instruction	384,015	367,800	4,972	405
School Sponsored Activities, Athletics and Programs	3,430,891	3,893,781	2,476,676	2,562,910
Support Services				
Student and Instruction Related Services	9,196,610	9,705,031	7,477,770	7,513,975
General and Business Administration Services	2,412,294	2,520,207	2,009,014	2,410,441
School Administration Services	4,817,049	4,722,623	3,713,909	3,480,566
Plant Operations and Maintenance	7,391,167	6,931,247	7,196,983	6,621,098
Pupil Transportation	2,040,701	1,756,972	1,707,364	1,620,266
Interest on Long-Term Debt	397,139	428,469	397,139	428,469
Total	<u>\$ 73,103,362</u>	<u>\$ 76,850,113</u>	<u>\$ 54,108,573</u>	<u>\$ 53,822,108</u>

Business-Type Activities

The District's total business-type activities revenues and operating transfers were \$27,860,540 and \$28,785,885 and expenses and operating transfers were \$26,785,781 and \$30,393,396 in fiscal years ended June 30, 2019 and 2018, respectively. Of the revenues, \$22,994,022 and \$22,896,645 was charges for services; \$4,779,546 and \$5,861,642 was from State related on behalf pension reimbursements for the years ended June 30, 2019 and 2018, respectively.

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$69,630,839 and \$66,426,491 and expenditures were \$68,443,257 and \$67,808,963 for the fiscal years ended June 30, 2019 and 2018, respectively. The net change in the governmental funds - fund balances for the year was an increase of \$1,171,245.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2019 and 2018.

<u>Revenue</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2019</u>	<u>2018</u>		
Local Sources	\$ 56,677,712	\$ 55,155,409	\$ 1,522,303	2.76%
State Sources	12,024,517	10,380,557	1,643,960	15.84%
Federal Sources	928,610	890,525	38,085	4.28%
Total Governmental Fund Revenues	<u>\$ 69,630,839</u>	<u>\$ 66,426,491</u>	<u>\$ 3,204,348</u>	4.82%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2019 and 2018.

	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2019</u>	<u>2018</u>		
Current Expense				
Instruction	\$ 42,405,697	\$ 41,700,316	\$ 705,381	1.69%
Support Services	22,314,331	21,254,813	1,059,518	4.98%
Capital Outlay	965,238	2,332,190	(1,366,952)	-58.61%
Debt Service				
Principal	2,220,985	1,810,396	410,589	22.68%
Interest and Other Charges	537,006	711,248	(174,242)	-24.50%
Total Expenditures	<u>\$ 68,443,257</u>	<u>\$ 67,808,963</u>	<u>\$ 634,294</u>	0.94%

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2019 and 2018, the District had \$19,362,610 and \$92,748 and \$19,727,656 and \$106,483 invested in land, buildings, furniture and equipment and vehicles and construction in progress for governmental and business-type activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities decreased \$365,046 and business-type activities decreased \$13,735 from the fiscal year ended June 30, 2018 to fiscal year ended June 30, 2019. Tables A-4 and A-5 show capital assets and the related depreciation for governmental activities and business-type activities at June 30, 2019 and 2018, respectively.

**Table A-4
Capital Assets
Governmental Activities
as of June 30, 2019 and 2018**

	<u>2019</u>	<u>Total</u> <u>2018</u>
Land	\$ 2,299,500	\$ 2,299,500
Land Improvements	11,075,418	10,797,448
Construction in Progress	192,525	10,737
Buildings and Building Improvements	26,176,166	25,769,797
Machinery and Equipment	<u>2,928,835</u>	<u>2,820,313</u>
	42,672,444	41,697,795
Less Accumulated Depreciation	<u>23,309,834</u>	<u>21,970,139</u>
Capital Assets, Net	<u>\$19,362,610</u>	<u>\$19,727,656</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019

Table A-5
Capital Assets
Business-type Activities
as of June 30, 2019 and 2018

	<u>2019</u>	<u>Total</u> <u>2018</u>
Machinery and Equipment	\$ 477,581	\$ 471,745
Less Accumulated Depreciation	<u>384,833</u>	<u>365,262</u>
Capital Assets, Net	<u>\$ 92,748</u>	<u>\$ 106,483</u>

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

Long-Term Liabilities

At June 30, 2019 and 2018, the District had \$45,998,264 and \$53,294,883 of long-term liabilities. Of this amount, \$1,049,500 and \$968,722 is for compensated absences; and \$17,475,169 and \$19,736,935 of bonds payable, including unamortized premium, and \$27,303,046 and \$32,342,692 for net pension liability and \$170,549 and \$246,534 for capital leases payable, respectively.

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

For the Future

Northern Valley Regional High School District demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2018-2019 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of no increases in state aid and 2% caps on tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,650,969	\$ 4,205,693	\$ 10,856,662
Receivables, net			
Receivables from Other Governments	713,595	22,724	736,319
Other		1,334,381	1,334,381
Internal Balances	(14,515)	14,515	-
Due from Other Funds	58,145		58,145
Inventories		10,141	10,141
Capital Assets			
Not Being Depreciated	2,492,025		2,492,025
Being Depreciated, net	<u>16,870,585</u>	<u>92,748</u>	<u>16,963,333</u>
Total Assets	<u>26,770,804</u>	<u>5,680,202</u>	<u>32,451,006</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding of Debt	13,727		13,727
Deferred Amounts on Net Pension Liability	<u>4,069,555</u>	<u>2,675,800</u>	<u>6,745,355</u>
Total Deferred Outflow of Resources	<u>4,083,282</u>	<u>2,675,800</u>	<u>6,759,082</u>
Total Assets and Deferred Outflow of Resources	<u>30,854,086</u>	<u>8,356,002</u>	<u>39,210,088</u>
LIABILITIES			
Accounts Payable and Other Liabilities	686,706	248,004	934,710
Intergovernmental Payable	27,890		27,890
Accrued Interest Payable	196,260		196,260
Unearned Revenue	614,427	3,000	617,427
Noncurrent Liabilities			
Due Within One Year	2,312,018		2,312,018
Due Beyond One Year	<u>32,756,885</u>	<u>10,929,361</u>	<u>43,686,246</u>
Total Liabilities	<u>36,594,186</u>	<u>11,180,365</u>	<u>47,774,551</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>5,705,447</u>	<u>3,751,427</u>	<u>9,456,874</u>
Total Liabilities and Deferred Inflows of Resources	<u>42,299,633</u>	<u>14,931,792</u>	<u>57,231,425</u>
NET POSITION			
Net Investment in Capital Assets	1,751,382	92,748	1,844,130
Restricted for:			
Capital Projects	4,562,271		4,562,271
Other Purposes	5,149		5,149
Unrestricted	<u>(17,764,349)</u>	<u>(6,668,538)</u>	<u>(24,432,887)</u>
Total Net Position	<u>\$ (11,445,547)</u>	<u>\$ (6,575,790)</u>	<u>\$ (18,021,337)</u>

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

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

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities:							
Instruction							
Regular	\$ 35,994,518	\$ 464,142	\$ 10,370,300		\$ (25,160,076)		\$ (25,160,076)
Special Education	7,038,978	238,533	2,835,775		(3,964,670)		(3,964,670)
Other Instruction	384,015	2,612	376,431		(4,972)		(4,972)
School Sponsored Activities and Athletics	3,430,891		954,215		(2,476,676)		(2,476,676)
Support Services							
Student and Instruction Related Services	9,196,610		1,718,840		(7,477,770)		(7,477,770)
School Administration Services	4,817,049		1,071,758	\$ 31,382	(3,713,909)		(3,713,909)
General Administration Services	1,279,639		200,712		(1,078,927)		(1,078,927)
Plant Operations and Maintenance	7,391,167		175,064	19,120	(7,196,983)		(7,196,983)
Pupil Transportation	2,040,701		333,337		(1,707,364)		(1,707,364)
Business and Other Support Services	1,132,655		202,568		(930,087)		(930,087)
Interest on Long-Term Debt and Other Charges	397,139	-	-	-	(397,139)	-	(397,139)
 Total Governmental Activities	 <u>73,103,362</u>	 <u>705,287</u>	 <u>18,239,000</u>	 <u>50,502</u>	 <u>(54,108,573)</u>	 <u>-</u>	 <u>(54,108,573)</u>
Business-Type Activities:							
Technical Services	927,736	1,062,438				\$ 134,702	134,702
Regional Cooperative Program	1,739,102	1,034,182	454,605			(250,315)	(250,315)
Regional Transportation	2,441,722	2,437,176				(4,546)	(4,546)
Regional Special Education	20,350,154	17,207,858	4,227,720			1,085,424	1,085,424
Other Nonmajor Programs	1,327,067	1,252,368	85,987	-	-	11,288	11,288
 Total Business-Type Activities	 <u>26,785,781</u>	 <u>22,994,022</u>	 <u>4,768,312</u>	 <u>-</u>	 <u>-</u>	 <u>976,553</u>	 <u>976,553</u>
 Total Primary Government	 <u>\$ 99,889,143</u>	 <u>\$ 23,699,309</u>	 <u>\$ 23,007,312</u>	 <u>\$ 50,502</u>	 <u>(54,108,573)</u>	 <u>976,553</u>	 <u>(53,132,020)</u>

Continued

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Total Primary Government (Carried Forward)	\$ (54,108,573)	\$ 976,553	\$ (53,132,020)
General Revenues and Transfers			
Taxes:			
Property Taxes, Levied for General Purposes	52,910,341		52,910,341
Taxes Levied for Debt Service	2,396,656		2,396,656
State Aid Restricted for Debt Service	239,673		239,673
Unrestricted State Aid	1,091		1,091
Miscellaneous Income	593,014	70,635	663,649
Transfers	(16,337)	16,337	-
Special Items			
Change in Net Pension Liability	-	11,234	11,234
	56,124,438	98,206	56,222,644
Change in Net Position	2,015,865	1,074,759	3,090,624
Net Position Beginning of Year	(13,461,412)	(7,650,549)	(21,111,961)
Net Position End of Year	\$ (11,445,547)	\$ (6,575,790)	\$ (18,021,337)

FUND FINANCIAL STATEMENTS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 6,493,825		\$ 151,995	\$ 5,149	\$ 6,650,969
Receivables, Net					
Receivables From Other Governments	131,701	\$ 205,591	376,303		713,595
Due from Other Funds	<u>186,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,772</u>
Total Assets	<u>\$ 6,812,298</u>	<u>\$ 205,591</u>	<u>\$ 528,298</u>	<u>\$ 5,149</u>	<u>\$ 7,551,336</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 62,831				\$ 62,831
Accrued Salaries and Benefits	623,475				623,475
Due to Other Funds	14,596	\$ 118,193	\$ 10,353		143,142
Other Payable	400				400
Payable to Other Governments		27,890			27,890
Unearned Revenue	<u>179,616</u>	<u>59,508</u>	<u>375,303</u>	<u>-</u>	<u>614,427</u>
Total Liabilities	<u>880,918</u>	<u>205,591</u>	<u>385,656</u>	<u>-</u>	<u>1,472,165</u>
Fund Balances					
Restricted					
Excess Surplus	300,000				300,000
Capital Reserve	2,872,049				2,872,049
Capital Reserve - Designated for Subsequent Year's Budget	1,568,343				1,568,343
Capital Projects			142,642		142,642
Debt Service				\$ 5,149	5,149
Committed					
Year-end Encumbrances	125,013				125,013
Assigned					
Year-end Encumbrances	111,852				111,852
Designated for Subsequent Year's Budget	566,095				566,095
Unassigned	<u>388,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,028</u>
Total Fund Balances	<u>5,931,380</u>	<u>-</u>	<u>142,642</u>	<u>5,149</u>	<u>6,079,171</u>
Total Liabilities and Fund Balances	<u>\$ 6,812,298</u>	<u>\$ 205,591</u>	<u>\$ 528,298</u>	<u>\$ 5,149</u>	<u>\$ 7,551,336</u>

EXHIBIT B-1

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2019

Total Fund Balance - Governmental Funds (Exhibit B-1) \$ 6,079,171

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$42,672,444 and the accumulated depreciation is \$23,309,834.

19,362,610

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

(196,260)

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

Bonds Payable, Including Unamortized Premium	\$ (17,475,169)
Compensated Absences	(950,926)
Capital Leases Payable	(170,549)
Net Pension Liability	<u>(16,472,259)</u>

(35,068,903)

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

13,727

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

Deferred Outflows of Resources	4,069,555
Deferred Inflows of Resources	<u>(5,705,447)</u>

(1,635,892)

Net Position of Governmental Activities (Exhibit A-1) \$ (11,445,547)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 52,910,341			\$ 2,396,656	\$ 55,306,997
Miscellaneous	<u>1,287,948</u>	\$ 72,414	\$ 10,353	-	<u>1,370,715</u>
Total - Local Sources	54,198,289	72,414	10,353	2,396,656	56,677,712
State Sources	11,592,439	192,405		239,673	12,024,517
Federal Sources	<u>-</u>	<u>928,610</u>	<u>-</u>	<u>-</u>	<u>928,610</u>
Total Revenues	<u>65,790,728</u>	<u>1,193,429</u>	<u>10,353</u>	<u>2,636,329</u>	<u>69,630,839</u>
EXPENDITURES					
Current					
Regular Instruction	32,148,835	9,104			32,157,939
Special Education Instruction	6,468,098	312,858			6,780,956
Other Instruction	6,862	376,185			383,047
School Sponsored Activities and Athletics	3,083,755				3,083,755
Support Services					
Student and Instruction Related Services	7,769,961	444,780			8,214,741
General Administration Services	1,178,650				1,178,650
School Administration Services	4,245,254				4,245,254
Plant Operations and Maintenance	5,641,330				5,641,330
Pupil Transportation	2,010,397				2,010,397
Business and Other Support Services	1,023,959				1,023,959
Debt Service					
Principal	75,985			2,145,000	2,220,985
Interest	19,575			517,431	537,006
Capital Outlay	<u>864,814</u>	<u>50,502</u>	<u>49,922</u>	<u>-</u>	<u>965,238</u>
Total Expenditures	<u>64,537,475</u>	<u>1,193,429</u>	<u>49,922</u>	<u>2,662,431</u>	<u>68,443,257</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,253,253</u>	<u>-</u>	<u>(39,569)</u>	<u>(26,102)</u>	<u>1,187,582</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	10,353				10,353
Transfers Out	<u>(16,337)</u>	<u>-</u>	<u>(10,353)</u>	<u>-</u>	<u>(26,690)</u>
Total Other Financing Sources (Uses)	<u>(5,984)</u>	<u>-</u>	<u>(10,353)</u>	<u>-</u>	<u>(16,337)</u>
Net Change in Fund Balances	1,247,269	-	(49,922)	(26,102)	1,171,245
Fund Balance, Beginning of Year	<u>4,684,111</u>	<u>-</u>	<u>192,564</u>	<u>31,251</u>	<u>4,907,926</u>
Fund Balance, End of Year	<u>\$ 5,931,380</u>	<u>\$ -</u>	<u>\$ 142,642</u>	<u>\$ 5,149</u>	<u>\$ 6,079,171</u>

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

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

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$	1,171,245
 Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Depreciation Expense	\$ (1,339,695)	
Capital Outlay	<u>965,238</u>	(374,457)
 Donations of capital assets increase net position in the statement of activities, but do not appear in the government funds because they are not financial resources.		
		9,411
 The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these difference in the treatment of long term debt.		
Principal Payments:		
General Obligation Bonds	2,145,000	
Capital Leases Payable	<u>75,985</u>	2,220,985
 Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of Premium	116,766	
Amortization of Deferred Amount on Refunding	<u>(8,298)</u>	108,468
 In the statement of activities, certain operating expense are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid).		
Net Change in Compensated Absences	(99,825)	
Net Change in Pension Expense	<u>(1,051,361)</u>	(1,151,186)
 Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Decrease in Accrued Interest		<u>31,399</u>
 Change in Net Position of Governmental Activities (Exhibit A-2)	 \$	 <u>2,015,865</u>

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

	Business-Type Activities					
	Enterprise Fund					Total Enterprise Funds
	Technical Services	Major Programs		Regional Special Ed	Other Nonmajor Enterprise Funds	
	Regional Coop Prgm	Regional Transportation				
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 98,713	\$ 401,452		\$ 3,556,399	\$ 149,129	\$ 4,205,693
Intergovernmental Receivable		2,268		19,832	624	22,724
Other Accounts Receivable	5,907		\$ 647,869	680,345	260	1,334,381
Due from Other Funds		474,033		8,802	5,794	488,629
Inventories	-	-	-	-	10,141	10,141
Total Current Assets	104,620	877,753	647,869	4,265,378	165,948	6,061,568
Capital Assets						
Furniture, machinery & equipment		5,268		233,967	238,346	477,581
Less: Accumulated Depreciation	-	(2,108)	-	(179,519)	(203,206)	(384,833)
Total Capital Assets	-	3,160	-	54,448	35,140	92,748
DEFERRED OUTFLOW OF RESOURCES						
Deferred Amounts on Net Pension Liability	-	99,271	-	2,576,529	-	2,675,800
Total Deferred Outflow of Resources	-	99,271	-	2,576,529	-	2,675,800
Total Assets and Deferred Outflow of Resources	104,620	980,184	647,869	6,896,355	201,088	8,830,116
LIABILITIES						
Current Liabilities						
Accounts Payable		1,350		7,753	212	9,315
Accrued Salaries and Benefits		15,590		175,234	4,815	195,639
Due to Other Funds		81	474,033			474,114
Other Payable				12,330	30,720	43,050
Unearned Revenue	-	-	-	1,750	1,250	3,000
Total Current Liabilities	-	17,021	474,033	197,067	36,997	725,118
Noncurrent Liabilities						
Compensated Absences		6,801		82,222	9,551	98,574
Net Pension Liability	-	401,818	-	10,428,969	-	10,830,787
Total Noncurrent Liabilities	-	408,619	-	10,511,191	9,551	10,929,361
DEFERRED INFLOW OF RESOURCES						
Deferred Amounts on Net Pension Liability	-	139,177	-	3,612,250	-	3,751,427
Total Deferred Inflow of Resources	-	139,177	-	3,612,250	-	3,751,427
Total Liabilities and Deferred Inflow of Resources	-	564,817	474,033	14,320,508	46,548	15,405,906
NET POSITION						
Net Investment in Capital Assets	-	3,160	-	54,448	35,140	92,748
Unrestricted	104,620	412,207	173,836	(7,478,601)	119,400	(6,668,538)
Total Net Position	\$ 104,620	\$ 415,367	\$ 173,836	\$ (7,424,153)	\$ 154,540	\$ (6,575,790)

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

	Business-Type Activities					
	Enterprise Fund				Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Major Programs			Regional Special Ed		
Technical Services	Regional Coop Prgm	Regional Transportation	Regional Special Ed			
OPERATING REVENUES						
Charges for Services						
Daily sales - non-reimbursable					\$ 954,746	\$ 954,746
Special Functions					51,379	51,379
Charges and Fees	\$ 1,062,438	\$ 1,034,182	\$ 2,432,881	\$ 17,207,858	246,243	21,983,602
Miscellaneous	-	-	4,295	-	-	4,295
Total Operating Revenues	1,062,438	1,034,182	2,437,176	17,207,858	1,252,368	22,994,022
OPERATING EXPENSES						
Cost of Sales - non-reimbursable					455,418	455,418
Salaries/Salaries of Teachers	689,823	833,628		10,332,694	534,014	12,390,159
Unallocated Benefits	33,486	754,516		7,902,302	173,696	8,864,000
Purchased Professional and Technical Services		87,632	272	347,046		434,950
Purchased Property Services		188		1,014,104		1,014,292
Other Purchased Services		15,870	2,441,450	38,148	114,044	2,609,512
Supplies and Materials	204,427	17,569		106,460	45,194	373,650
Depreciation		1,054		13,816	4,701	19,571
Other Objects	-	28,645	-	595,584	-	624,229
Total Operating Expenses	927,736	1,739,102	2,441,722	20,350,154	1,327,067	26,785,781
Operating Income (Loss)	134,702	(704,920)	(4,546)	(3,142,296)	(74,699)	(3,791,759)
NONOPERATING REVENUES						
On-Behalf (Non-Budgeted)						
TPAF Pension System						
Post Retirement Medical		60,411		561,794	15,176	637,381
Normal Cost		130,451		1,213,134	32,770	1,376,355
NCGI		2,731		25,394	686	28,811
Long-Term Disability		94		869	23	986
Reimbursed TPAF S.S.		49,643		461,773	12,355	523,771
GASB 68 - TPAF On Behalf Adjustment		99,427		924,623	24,977	1,049,027
GASB 75 - OPEB On Behalf Adjustment		111,848		1,040,133		1,151,981
Change in Net Pension Liability				11,234		11,234
Interest	1,494	-	-	64,546	4,595	70,635
Total Non-Operating Revenues	1,494	454,605	-	4,303,500	90,582	4,850,181
Net Income (Loss) Transfers	136,196	(250,315)	(4,546)	1,161,204	15,883	1,058,422
Transfers						
Transfers In(Out)	-	-	-	-	16,337	16,337
Change in Net Position	136,196	(250,315)	(4,546)	1,161,204	32,220	1,074,759
Total Net Position - Beginning of Year	(31,576)	665,682	178,382	(8,585,357)	122,320	(7,650,549)
Total Net Position - Ending of Year	\$ 104,620	\$ 415,367	\$ 173,836	\$ (7,424,153)	\$ 154,540	\$ (6,575,790)

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

	Business-Type Activities					
	Enterprise Fund					
	Technical Services	Major Programs			Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Regional Coop Prgm	Regional Transportation	Regional Special Ed			
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 1,057,869	\$ 1,045,676	\$ 2,220,098	\$ 17,067,385	\$ 1,268,195	\$ 22,659,223
Payments to Employees and Benefits	(739,726)	(1,069,579)		(14,828,561)	(628,980)	(17,266,846)
Payments to Suppliers for Goods and Services	(221,903)	(151,104)	(2,441,722)	(2,094,191)	(615,548)	(5,524,468)
Net Cash Provided (Used by) operating activities	<u>96,240</u>	<u>(175,007)</u>	<u>(221,624)</u>	<u>144,633</u>	<u>23,667</u>	<u>(132,091)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash received from State Subsidy Reimbursement		49,561		462,031	12,047	523,639
Interfund Transfers	-	(221,535)	221,624	(9,069)	22,562	13,582
Net cash provided by (used for) Noncapital financing activities	<u>-</u>	<u>(171,974)</u>	<u>221,624</u>	<u>452,962</u>	<u>34,609</u>	<u>537,221</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	-	-	(5,836)	(5,836)
Net cash provided by(used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,836)</u>	<u>(5,836)</u>
CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES						
Interest on Deposits	1,494	-	-	64,546	4,595	70,635
Net cash provided by(used for) capital and related financing activities	<u>1,494</u>	<u>-</u>	<u>-</u>	<u>64,546</u>	<u>4,595</u>	<u>70,635</u>
Net increase (decrease) in cash and cash equivalents	97,734	(346,981)	-	662,141	57,035	469,929
Cash and Cash Equivalents (Overdraft) - Beginning of Year	979	748,433	-	2,894,258	92,094	3,735,764
Cash and Cash Equivalents (Overdraft) - End of Year	<u>\$ 98,713</u>	<u>\$ 401,452</u>	<u>\$ -</u>	<u>\$ 3,556,399</u>	<u>\$ 149,129</u>	<u>\$ 4,205,693</u>
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities						
Operating Income(Loss)	\$ 134,702	\$ (704,920)	\$ (4,546)	\$ (3,142,296)	\$ (74,699)	\$ (3,791,759)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities						
Non-Cash State On Behalf TPAF Pension and OPEB Contributions		404,962		3,765,947	73,632	4,244,541
Depreciation		1,054		13,816	4,701	19,571
(Increase) Decrease in other accounts receivable, net	(4,569)	11,494	(217,078)	(149,553)	4,789	(354,917)
(Increase) Decrease in inventories					(1,104)	(1,104)
(Increase) Decrease in Deferred Outflows of Resources		17,029		1,465,373		1,482,402
Increase(decrease) in unearned revenues				800	(950)	(150)
Increase(decrease) in other payable				8,280	11,988	20,268
Increase(decrease) in accounts payable	(17,476)	(1,200)		7,151	212	(11,313)
Increase(decrease) in accrued salaries and benefits		15,590		175,234	4,815	195,639
Increase(decrease) in Deferred Inflows of Resources		57,348		768,340		825,688
Increase(decrease) in noncurrent liabilities	(16,417)	23,636	-	(2,768,459)	283	(2,760,957)
Total adjustments	<u>(38,462)</u>	<u>529,913</u>	<u>(217,078)</u>	<u>3,286,929</u>	<u>98,366</u>	<u>3,659,668</u>
Net cash provided by (used for) operating activities	<u>\$ 96,240</u>	<u>\$ (175,007)</u>	<u>\$ (221,624)</u>	<u>\$ 144,633</u>	<u>\$ 23,667</u>	<u>\$ (132,091)</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 25,338	\$ 59,807	\$ 788,702
Total Assets	<u>25,338</u>	<u>59,807</u>	<u>\$ 788,702</u>
LIABILITIES			
Accrued Salaries and Wages			\$ 10,648
Payroll Deductions and Withholdings			3,772
Reserve for Flexible Spending			24,511
Intergovernmental Payable		18,743	
Due to Other Funds			58,145
Due to Student Groups	-	-	691,626
Total Liabilities	<u>-</u>	<u>18,743</u>	<u>\$ 788,702</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 25,338</u>	<u>\$ 41,064</u>	

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

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

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS		
Contributions		
Employee		\$ 103,425
Donations	\$ 1,436	
Investment Earnings		
Interest	310	1,215
	<hr/>	<hr/>
Total Additions	1,746	104,640
	<hr/>	<hr/>
DEDUCTIONS		
Unemployment Claims		130,827
Scholarship Awards	2,800	-
	<hr/>	<hr/>
Total Deductions	2,800	130,827
	<hr/>	<hr/>
Change in Net Position	(1,054)	(26,187)
Net Position Beginning of Year	26,392	67,251
	<hr/>	<hr/>
Net Position, End of Year	\$ 25,338	\$ 41,064
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2019, the District adopted the following GASB statement:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

4. *Capital Assets*

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets (Continued)*

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

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

5. *Deferred Outflows/Inflows of Resources*

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

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

6. *Compensated Absences*

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 original budget certified for taxes.

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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 committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$644,402. The increase was funded by additional state aid, additional appropriated grant awards and the reappropriation of prior year general fund encumbrances.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

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

B. Excess Expenditures Over Appropriations

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Multiple Disabilities			
General Supplies	\$10,740	\$11,032	\$292

The above variance was offset with other available resources.

C. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$8,037 in the Teens and Tots Fund. The District expects to eliminate this deficit through normal operations in the 2019/2020 fiscal year.

The Regional Special Education Enterprise Fund has a cumulative deficit in net position of \$7,424,153 as of June 30, 2019. The deficit is due to the District's accrual of the long-term liability associated with the fund's proportionate share of the District's total PERS net pension liability as required under GASB Statement No. 68. The deficit alone does not indicate that the regional special education operations are facing financial difficulties. The net position excluding the pension related items is \$4,040,537.

D. Capital Reserve

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

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

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 3,247,878
Increased by		
Interest Earnings	\$ 9,960	
Interest Earnings - Capital Projects	10,353	
Deposits from Unexpended Capital Outlay	69,869	
Deposits Approved by Board Resolution	<u>1,862,332</u>	
Total Increases		<u>1,952,514</u>
		5,200,392
Withdrawals		
Approved in District Budget		<u>760,000</u>
Balance, June 30, 2019		<u>\$ 4,440,392</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,568,343 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

E. Transfers to Capital Outlay

During the 2018/2019 school year, the district transferred \$138,550 to the equipment capital outlay accounts. The additional increase of \$100,810 to the equipment capital outlay accounts was the result of the reappropriation of prior year encumbrances. The District reappropriated the capital projects approved in the original budget from the Capital Projects Fund to the non-equipment capital outlay accounts in the amount of \$760,000.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2019 is \$300,000. This amount will be appropriated in the 2020/2021 original budget certified for taxes.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$11,730,509 and bank and brokerage firm balances of the Board's deposits amounted to \$15,196,862. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 15,196,862</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; 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 "Local Authorities Fiscal Control Law," (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 school districts; Local Government investment pools; 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2019, the Board had no outstanding investments.

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

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

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

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

B. Receivables

Receivables as of June 30, 2019 for the district’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Technical Services</u>	<u>Regional Coop Prgm</u>	<u>Regional Transportation</u>	<u>Regional Special Ed</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:									
Intergovernmental-									
Federal		\$ 202,040							\$ 202,040
State	\$ 131,701	3,551	\$ 376,303		\$ 2,268		\$ 19,832	\$ 624	534,279
Other	-	-	-	\$ 5,907	-	\$ 647,869	680,345	260	1,334,381
Gross Receivables	131,701	205,591	376,303	5,907	2,268	647,869	700,177	884	2,070,700
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-	-	-
Net Total Receivables	<u>\$ 131,701</u>	<u>\$ 205,591</u>	<u>\$ 376,303</u>	<u>\$ 5,907</u>	<u>\$ 2,268</u>	<u>\$ 647,869</u>	<u>\$ 700,177</u>	<u>\$ 884</u>	<u>\$ 2,070,700</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund		
Unrealized Tuition Revenue	\$	6,174
Unrealized Fee Revenue		173,442
Special Revenue Fund		
Grant Draw Downs Reserved for Encumbrances		22,161
Unencumbered Grant Draw Downs		37,347
Capital Projects Fund		
Unrealized School Facilities Grants		<u>375,303</u>
 Total Unearned Revenue for Governmental Funds	 \$	 <u>614,427</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance, July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2019</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,299,500			\$ 2,299,500
Construction in Progress	<u>10,737</u>	\$ 181,788	-	<u>192,525</u>
Total Capital Assets, Not Being Depreciated	<u>2,310,237</u>	<u>181,788</u>	<u>-</u>	<u>2,492,025</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	25,769,797	406,369		26,176,166
Land Improvements	10,797,448	277,970		11,075,418
Machinery and Equipment	<u>2,820,313</u>	<u>108,522</u>	-	<u>2,928,835</u>
Total Capital Assets Being Depreciated	<u>39,387,558</u>	<u>792,861</u>	<u>-</u>	<u>40,180,419</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(14,622,975)	(696,147)		(15,319,122)
Land Improvements	(5,144,184)	(524,484)		(5,668,668)
Machinery and Equipment	<u>(2,202,980)</u>	<u>(119,064)</u>	-	<u>(2,322,044)</u>
Total Accumulated Depreciation	<u>(21,970,139)</u>	<u>(1,339,695)</u>	<u>-</u>	<u>(23,309,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,417,419</u>	<u>(546,834)</u>	<u>-</u>	<u>16,870,585</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,727,656</u>	<u>\$ (365,046)</u>	<u>\$ -</u>	<u>\$ 19,362,610</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2018	Increases	Decreases	Balance, June 30, 2019
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 471,745	\$ 5,836	-	\$ 477,581
Total Capital Assets Being Depreciated	<u>471,745</u>	<u>5,836</u>	-	<u>477,581</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(365,262)</u>	<u>(19,571)</u>	-	<u>(384,833)</u>
Total Accumulated Depreciation	<u>(365,262)</u>	<u>(19,571)</u>	-	<u>(384,833)</u>
Total Capital Assets, Being Depreciated, Net	<u>106,483</u>	<u>(13,735)</u>	-	<u>92,748</u>
Business-Type Activities Capital Assets, Net	<u>\$ 106,483</u>	<u>\$ (13,735)</u>	<u>\$ -</u>	<u>\$ 92,748</u>

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

Governmental Activities:

Instruction	
Regular	\$ 63,532
Total Instruction	<u>63,532</u>
Support Services	
Support Services-Students	6,377
School Administrative Services	3,922
Operations and Maintenance of Plant	1,256,746
Student Transportation	6,238
Business and Other Support Services	<u>2,880</u>
Total Support Services	<u>1,276,163</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,339,695</u>

Business-Type Activities:

Regional Special Ed	\$ 13,816
Regional Coop Prgm	1,054
Food Service Fund	<u>4,701</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 19,571</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Old Tappan H.S. Roof Project	\$ 58,173	\$ 109,827

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 10,353
General Fund	Special Revenue Fund	118,193
General Fund	Agency Fund	58,145
General Fund	Regional Coop. Fund	81
Regional Special Ed. Fund	General Fund	8,802
Teens and Tots Fund	General Fund	5,794
Regional Coop. Fund	Regional Transportation Fund	<u>474,033</u>
Total		<u>\$ 675,401</u>

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

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

Interfund transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Teens and Tots</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 16,337	\$ 16,337
Capital Projects	\$ 10,353	-	<u>10,353</u>
Total Transfers Out	<u>\$ 10,353</u>	<u>\$ 16,337</u>	<u>\$ 26,690</u>

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases computers, iPads, copiers, modular classrooms and building rental (Immaculate Conception Church) under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2019 were \$1,309,794. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 1,322,927
2021	714,276
2022	20,747
2023	<u>20,747</u>
Total	<u>\$ 2,078,697</u>

Capital Leases

The District is leasing a modular classroom building totaling \$412,490 under capital leases. The leases are for terms of 4 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ 412,490
Less: Accumulated Depreciation	<u>(41,249)</u>
	<u>\$ 371,241</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 95,560
2021	<u>95,560</u>
Total minimum lease payments	191,120
Less: amount representing interest	<u>(20,571)</u>
Present value of minimum lease payments	<u>\$ 170,549</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2019 are comprised of the following issues:

\$2,290,000, 2009 School Bonds, due in annual installments of \$220,000 to \$275,000 through August 1, 2024, interest at 3.00% to 4.00%	\$1,485,000
\$11,707,000, 2016 School Bonds, due in annual installments of \$525,000 to \$1,000,000 through August 1, 2031, interest at 2.00% to 2.50%	11,207,000
\$7,400,000, 2017 Refunding School Bonds, due in annual installments of \$560,000 to \$1,545,000 through February 1, 2022, interest at 3.00% to 4.00%	<u>4,590,000</u>
Total	<u>\$17,282,000</u>

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	Serial Bonds		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 2,230,000	\$ 446,225	\$ 2,676,225
2021	2,325,000	369,038	2,694,038
2022	2,375,000	288,050	2,663,050
2023	1,255,000	211,238	1,466,238
2024	1,265,000	181,475	1,446,475
2025-2029	5,275,000	531,375	5,806,375
2030-2032	<u>2,557,000</u>	<u>84,938</u>	<u>2,641,938</u>
	<u>\$ 17,282,000</u>	<u>\$ 2,112,339</u>	<u>\$ 19,394,339</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 290,107,166
Less: Net Debt	<u>17,282,485</u>
Remaining Borrowing Power	<u>\$ 272,824,681</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2019</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 19,427,000		\$ 2,145,000	\$ 17,282,000	\$ 2,230,000
Add: Premium	<u>309,935</u>	-	<u>116,766</u>	<u>193,169</u>	-
Total Bonds Payable	19,736,935	-	2,261,766	17,475,169	2,230,000
Net Pension Liability	18,758,761		2,286,502	16,472,259	
Capital Leases Payable	246,534		75,985	170,549	82,018
Compensated Absences	<u>851,101</u>	<u>\$ 99,825</u>	<u>-</u>	<u>950,926</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 39,593,331</u>	<u>\$ 99,825</u>	<u>\$ 4,624,253</u>	<u>\$ 35,068,903</u>	<u>\$ 2,312,018</u>
Business-Type Activities:					
Net Pension Liability	\$ 13,583,931		\$ 2,753,144	\$ 10,830,787	
Compensated Absences	<u>117,621</u>	<u>\$ 2,026</u>	<u>21,073</u>	<u>98,574</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 13,701,552</u>	<u>\$ 2,026</u>	<u>\$ 2,774,217</u>	<u>\$ 10,929,361</u>	<u>\$ -</u>

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

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

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

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

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2019	\$ 103,425	\$ 130,827	\$ 41,064
2018	109,118	117,856	67,251
2017	109,168	83,609	75,162

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

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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 represent 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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 1,379,299	\$ 6,433,910	\$ 14,142
2018	1,287,118	4,570,321	17,464
2017	1,165,000	3,365,046	18,640

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$8,479, \$25,149 and \$8,753, respectively for PERS and the State contributed \$4,516, \$3,688 and \$4,294, respectively for TPAF for Long Term Disability Insurance Premium (LTDI). Of the 2018/2019 amount, \$3,530 is reported in the General Fund and the balance of \$986 is allocated to the applicable enterprise funds.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,398,677 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. Of this amount, \$1,874,906 is reported in the General Fund and \$523,771 is allocated to the applicable enterprise funds. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$27,303,046 for its proportionate share of the PERS 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 that date. The District's proportionate share of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportionate share was .13866 percent, which was a decrease of .00027 percent from its proportionate share measured as of June 30, 2017 of .13893 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,996,840 for PERS. Of this amount, \$1,883,509 is reported as governmental activities in the statement of activities and \$113,331 is reported as business-type activities in both the statement of activities and statement of revenues expenses and changes in fund net position. In addition, the District reported a special item of revenue in the amount of \$11,234 as business-type activities in both the statement of activities and statement of revenues, expenses and changes in fund net position as a result of the decrease in net pension liability net of the related change in deferred inflows allotted to the Regional Special Education Funds. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 520,673	\$ 140,783
Changes of Assumptions	4,499,090	8,730,062
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		256,104
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,725,592</u>	<u>329,925</u>
Total	<u>\$ 6,745,355</u>	<u>\$ 9,456,874</u>
Governmental Activities	\$ 4,069,555	\$ 5,705,447
Business-Type Activities	<u>2,675,800</u>	<u>3,751,427</u>
	<u>\$ 6,745,355</u>	<u>\$ 9,456,874</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending June 30,	<u>Total</u>
2020	\$ 588,390
2021	198,600
2022	(1,509,255)
2023	(1,455,238)
2024	(534,016)
Thereafter	<u>-</u>
	<u>\$ (2,711,519)</u>

Actuarial Assumptions

The District's 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:

	<u>PERS</u>
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%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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%
US Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
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%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 5.66%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66 percent) or 1-percentage-point higher (6.66 percent) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's Proportionate Share of the PERS Net Pension Liability			
Governmental Activities	\$ 20,711,968	\$ 16,472,259	\$ 12,915,414
Business-Type Activities	<u>13,618,466</u>	<u>10,830,787</u>	<u>8,492,102</u>
	<u>\$ 34,330,434</u>	<u>\$ 27,303,046</u>	<u>\$ 21,407,516</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2018. A sensitivity analysis specific to the District's net pension liability at June 30, 2018 was not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Pension Plan Fiduciary Net Position

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,237,149 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85. The difference between this amount and the actual on behalf payment made by the State of New Jersey is \$4,803,239. Of this amount, \$3,754,212 is reported as governmental activities in the statement of activities and \$1,049,027 is reported as business-type activities and statement of revenues, expensed and changes in fund net position.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$192,758,538. Of this amount, \$150,660,073 is attributable to the governmental activities and \$42,098,465 is attributable to business-type activities. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .30299 percent, which was an increase of .00383 percent from its proportionate share measured as of June 30, 2017 of .29916 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

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.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 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%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District			
Governmental Activities	\$ 178,077,346	\$ 150,660,073	\$ 127,931,823
Business-Type Activities	<u>49,759,585</u>	<u>42,098,465</u>	<u>35,747,582</u>
	<u>\$ 227,836,931</u>	<u>\$ 192,758,538</u>	<u>\$ 163,679,405</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 or more years 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.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 45 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$2,918,411, \$2,951,873 and \$2,803,849, respectively, which equaled the required contributions for each year. Of the amount of \$2,918,411 for the fiscal year ended June 30, 2019, \$2,281,030 has been allocated to the General Fund and the balance of \$637,381 has been allocated to the respective Enterprise Funds. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$5,811,494. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85. The difference between this amount and the actual on behalf payments made by the State of New Jersey is \$2,893,083. Of this amount, \$1,741,102 is reported as governmental activities in the statement of activities and \$1,151,981 is reported as business type activities in the statement of revenues, expenses and changes in fund net position and the statement of activities.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$103,568,477. Of this amount, \$84,411,602 is attributable to the governmental activities and \$19,156,875 is attributable to business-type activities. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .22461 percent, which was an increase of .00392 percent from its proportionate share measured as of June 30, 2017 of .22069 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 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	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement 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. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy 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 Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 80 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

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

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2017 Measurement Date	\$ 118,375,749
Changes Recognized for the Fiscal Year:	
Service Cost	5,193,810
Interest on the Total OPEB Liability	4,376,352
Differences Between Expected and Actual Experience	(9,818,763)
Changes of Assumptions	(11,885,001)
Gross Benefit Payments	(2,769,384)
Contributions from the Member	95,714
Net Changes	\$ (14,807,272)
Balance, June 30, 2018 Measurement Date	\$ 103,568,477

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87% as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District			
Governmental Activities	\$ 99,791,697	\$ 84,411,602	\$ 72,186,015
Business-Type Activities	<u>22,647,326</u>	<u>19,156,875</u>	<u>16,382,327</u>
	<u>\$ 122,439,023</u>	<u>\$ 103,568,477</u>	<u>\$ 88,568,342</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)			
Governmental Activities	\$ 69,771,105	\$ 84,411,602	\$ 103,774,220
Business-Type Activities	<u>15,834,273</u>	<u>19,156,875</u>	<u>23,551,143</u>
	<u>\$ 85,605,378</u>	<u>\$ 103,568,477</u>	<u>\$ 127,325,363</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

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

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

NOTE 5 SUBSEQUENT EVENTS

On July 10, 2019, the District entered into a Master Lease Purchase Agreement in the amount of \$898,500 for 2 new synthetic turf athletic fields. The lease is at an annual rate of 2.477% for the period of July 10, 2019 to August 15, 2025. The District will make five equal installments on August 15 beginning August 15, 2019.

On August 27, 2019 the District entered into a lease purchase agreement in the amount of \$300,645 at a rate of 3.54% for network switch hardware. The lease will be paid over 5 years with annual equal installments of \$64,383.

On September 26, 2019, the District has entered into a lease purchase agreement with Bergen County Improvement Authority relating to County guaranteed lease revenue bonds for the purchase of the Immaculate Conception Church building. The total purchase amount is \$6,145,360. Of this amount, \$4,365,000 is funded by the lease purchase agreement at interest rates of 4.00% to 5.00%, maturing over 13 years. The first maturity is due on March 1, 2020. The remaining amount of \$1,780,360 is funded by a District contribution, a local donation and premium on the lease proceeds.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 52,910,341	-	\$ 52,910,341	\$ 52,910,341	
Tuition from Individuals	240,324	-	240,324	243,845	\$ 3,521
Tuition from Other LEAs within the State	355,397	-	355,397	458,830	103,433
Tuition from Summer School	6,500	-	6,500	2,612	(3,888)
Interest Earned on Capital Reserve Funds	2,500	-	2,500	9,960	7,460
Miscellaneous	603,500	-	603,500	572,701	(30,799)
Total Local Sources	<u>54,118,562</u>	<u>-</u>	<u>54,118,562</u>	<u>54,198,289</u>	<u>79,727</u>
State Sources					
Special Education Aid	1,108,571	-	1,108,571	1,108,571	
Security Aid	42,643	-	42,643	42,643	
Transportation Aid	307,060	\$ 740	307,800	307,800	
Extraordinary Aid	655,000	-	655,000	693,841	38,841
Reimbursed Nonpublic Transportation Aid		-		36,177	36,177
TPAF Pension Contribution (On-Behalf)					
Normal Pension Contribution				4,925,638	4,925,638
NCGI Contribution				103,106	103,106
Long-Term Disability Contribution				3,530	3,530
Post Retirement Contribution				2,281,030	2,281,030
TPAF Social Security Contribution (On-Behalf)	-	-	-	1,874,906	1,874,906
Total State Sources	<u>2,113,274</u>	<u>740</u>	<u>2,114,014</u>	<u>11,377,242</u>	<u>9,263,228</u>
Federal Source					
Medicaid Reimbursement	16,835	-	16,835	-	(16,835)
Total Federal Sources	<u>16,835</u>	<u>-</u>	<u>16,835</u>	<u>-</u>	<u>(16,835)</u>
Total Revenues	<u>56,248,671</u>	<u>740</u>	<u>56,249,411</u>	<u>65,575,531</u>	<u>9,326,120</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	19,458,097	(375,879)	19,082,218	18,826,774	255,444
Regular Programs - Home Instruction					
Salaries of Teachers	55,000	62,640	117,640	117,640	
Purchased Professional-Educational Services	30,000	(5,289)	24,711	14,976	9,735
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction		35,100	35,100	24,659	10,441
Purchased Professional-Educational Services	5,000	4,974	9,974	6,962	3,012
Purchased Technical Services	32,431	337,277	369,708	345,125	24,583
Other Purchased Services	1,219,035	27,472	1,246,507	1,212,849	33,658
General Supplies	393,595	(12,543)	381,052	337,360	43,692
Textbooks	146,430	(67,749)	78,681	43,640	35,041
Other Objects	29,500	(14,711)	14,789	14,580	209
Total Regular Programs	<u>21,369,088</u>	<u>(8,708)</u>	<u>21,360,380</u>	<u>20,944,565</u>	<u>415,815</u>
Special Education					
Cognitive - Mild					
Salaries of Teachers	237,870	(22,384)	215,486	206,563	8,923
Other Salaries for Instruction	100,931	(31,718)	69,213	69,213	-
General Supplies	1,000	326	1,326	1,326	-
Total Cognitive - Mild	<u>339,801</u>	<u>(53,776)</u>	<u>286,025</u>	<u>277,102</u>	<u>8,923</u>
Cognitive - Moderate					
Salaries of Teachers	103,266	(16,707)	86,559	82,384	4,175
Other Salaries for Instruction	61,072	(84)	60,988	60,988	-
General Supplies	1,000	326	1,326	1,326	-
Total Cognitive - Moderate	<u>165,338</u>	<u>(16,465)</u>	<u>148,873</u>	<u>144,698</u>	<u>4,175</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

Exhibit C-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Auditory Impairments					
Purchased Professional-Educational Services	-	\$ 12,540	\$ 12,540	\$ 12,540	-
Total Auditory Impairments	-	12,540	12,540	12,540	-
Behavior Disabilities					
Salaries of Teachers	\$ 237,710	(5,160)	232,550	227,735	\$ 4,815
Other Salaries for Instruction	65,963	(7,635)	58,328	58,328	
Other Objects	2,100	(1,538)	562	562	-
Total Behavior Disabilities	305,773	(14,333)	291,440	286,625	4,815
Multiple Disabilities					
Salaries of Teachers	154,708	72,352	227,060	222,886	4,174
Other Salaries for Instruction	187,849	41,459	229,308	229,308	
Purchased Professional-Educational Services		429,872	429,872	429,872	
General Supplies	13,800	(3,060)	10,740	11,032	(292)
Other Objects	152,510	(152,510)	-	-	-
Total Multiple Disabilities	508,867	388,113	896,980	893,098	3,882
Resource Room/Resource Center					
Salaries of Teachers	1,718,610	101,193	1,819,803	1,796,589	23,214
Other Salaries for Instruction	10,000	(2,915)	7,085	7,085	
Other Purchased Services	17,260	(3,334)	13,926	13,926	
General Supplies	3,200	382	3,582	2,842	740
Textbooks	1,300	(956)	344	344	-
Total Resource Room/Resource Center	1,750,370	94,370	1,844,740	1,820,786	23,954
Home Instruction					
Purchased Professional-Educational Services	-	18,220	18,220	18,220	-
Total Home Instruction	-	18,220	18,220	18,220	-
Cognitive - Severe					
Salaries of Teachers	118,819	2,923	121,742	117,567	4,175
Other Salaries for Instruction	64,742	(59,072)	5,670	5,670	
General Supplies	1,000	(100)	900	900	-
Total Cognitive-Severe	184,561	(56,249)	128,312	124,137	4,175
Total Special Education	3,254,710	372,420	3,627,130	3,577,206	49,924
Bilingual Education					
General Supplies	1,400	(1,394)	6	6	-
Total Bilingual Education	1,400	(1,394)	6	6	-
School Sponsored Co-Curricular Activities					
Salaries	503,326	10,396	513,722	466,615	47,107
Purchased Services	8,400	184	8,584	8,583	1
Supplies and Materials	18,900	16,211	35,111	34,923	188
Other Objects	17,600	1,068	18,668	18,663	5
Total School Sponsored Co-Curricular Activities	548,226	27,859	576,085	528,784	47,301
School Sponsored Athletics - Instruction					
Salaries	1,464,069	(51,873)	1,412,196	1,278,705	133,491
Purchased Services	7,100	3,700	10,800	9,700	1,100
Supplies & Materials	159,840	(14,486)	145,354	142,791	2,563
Other Objects	55,155	(6,410)	48,745	44,699	4,046
Transfers to Cover Deficit (Agency Funds)	-	156,071	156,071	156,070	1
Total School Sponsored Athletics - Instruction	1,686,164	87,002	1,773,166	1,631,965	141,201
Total - Instruction	26,859,588	477,179	27,336,767	26,682,526	654,241

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs within the State-Special	\$ 560,248	\$ 147,144	\$ 707,392	\$ 707,392	
Tuition to County Vocational School District-Reg.	1,014,858	104,902	1,119,760	1,119,760	
Tuition to County Vocational School District-Special		103,898	103,898	103,898	
Tuition to County Special Services - School Districts & Regional Day Schools	792,111	(173,630)	618,481	584,233	\$ 34,248
Tuition to Private Schools - Disabled w/i State	1,850,857	(806,396)	1,044,461	802,859	241,602
Tuition to Private Schools - Disabled & Other LEAs-Spl, O/S St	222,452	(90,099)	132,353	132,085	268
Tuition - State Facilities		36,247	36,247	36,247	
Tuition - Other	206,153	(206,153)	-	-	-
Total Undistributed Expenditures - Instruction	4,646,679	(884,087)	3,762,592	3,486,474	276,118
Attendance and Social Work					
Salaries	83,801	28,852	112,653	82,152	30,501
Total Attendance and Social Work	83,801	28,852	112,653	82,152	30,501
Health Services					
Salaries	328,872	4,635	333,507	327,467	6,040
Purchased Professional & Technical Services	46,612	19,000	65,612	56,908	8,704
Other Purchased Services	1,100		1,100		1,100
Supplies and Materials	12,800	8,148	20,948	18,038	2,910
Other Objects	6,100	4,772	10,872	3,399	7,473
Total Health Services	395,484	36,555	432,039	405,812	26,227
Speech, OT, PT & Related Services					
Purchased Professional/Educational Services	22,338	-	22,338	20,200	2,138
Total Speech, OT, PT & Related Services	22,338	-	22,338	20,200	2,138
Oth Supp Serv Std - Extra Serv					
Salaries	213,421	17,455	230,876	212,984	17,892
Purchased Professional/Educational Services	-	280,072	280,072	199,100	80,972
Total Oth Supp Serv Std - Extra Serv	213,421	297,527	510,948	412,084	98,864
Guidance					
Salaries of Other Professional Staff	1,887,320	60,904	1,948,224	1,914,221	34,003
Salaries of Secretarial and Clerical Assistants	464,342	(7,017)	457,325	453,270	4,055
Supplies and Materials	10,300	(706)	9,594	8,176	1,418
Total Guidance	2,361,962	53,181	2,415,143	2,375,667	39,476
Child Study Teams					
Salaries of Other Professional Staff	1,132,754	(64,926)	1,067,828	1,047,955	19,873
Salaries of Secretarial and Clerical Assistants	163,949	79,295	243,244	166,133	77,111
Other Salaries	81,168	86,442	167,610	167,510	100
Purchased Prof. - Educational Services		47,470	47,470	46,900	570
Supplies and Materials	204,012	(164,485)	39,527	29,490	10,037
Other Objects	3,500	(1,286)	2,214	954	1,260
Total Child Study Teams	1,585,383	(17,490)	1,567,893	1,458,942	108,951

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

Exhibit C-1

EXPENDITURES	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENDITURES (Continued)					
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisor of Instruction	\$ 172,238	\$ (32,446)	\$ 139,792	\$ 137,981	\$ 1,811
Tuition Reimbursement		57,867	57,867	28,471	29,396
Purchased Prof. - Educational Services	342,338	(147,638)	194,700	187,992	6,708
Supplies and Materials	11,000	(150)	10,850	4,160	6,690
Other Objects	4,200	-	4,200	1,317	2,883
	<u>529,776</u>	<u>(122,367)</u>	<u>407,409</u>	<u>359,921</u>	<u>47,488</u>
Educational Media Services/School Library					
Salaries	282,088	(22,311)	259,777	251,498	8,279
Other Salaries		21,825	21,825	5,940	15,885
Purchased Professional and Technical Services	180,015	(81,998)	98,017	46,295	51,722
Other Purchased Services	19,600	28	19,628	19,628	
Supplies and Materials	90,100	-	90,100	88,088	2,012
Other Objects	2,000	452	2,452	1,895	557
	<u>573,803</u>	<u>(82,004)</u>	<u>491,799</u>	<u>413,344</u>	<u>78,455</u>
Instructional Staff Training Services					
Salaries of Secretarial and Clerical Assist	22,022	3,087	25,109	24,448	661
Other Salaries		36,912	36,912	5,692	31,220
Purchased Professional - Educational Services	5,000	(1,000)	4,000		4,000
Other Purchased Services	92,230	(92,230)			-
Travel		95,544	95,544	54,868	40,676
Supplies and Materials	-	1,095	1,095	1,095	-
	<u>119,252</u>	<u>43,408</u>	<u>162,660</u>	<u>86,103</u>	<u>76,557</u>
Support Services General Administration					
Salaries	519,900	1,296	521,196	501,891	19,305
Legal Services	175,000	120,403	295,403	191,546	103,857
Audit Fees	44,250	(3,622)	40,628	38,465	2,163
Other Purchased Professional Services	8,000	13,620	21,620	21,620	-
Communications/Telephone	85,000	139	85,139	68,369	16,770
BOE Other Purchased Services		603	603	510	93
Misc. Purchased Services	252,400	(199,230)	53,170	1,050	52,120
General Supplies	42,400	5,783	48,183	41,251	6,932
Miscellaneous Expenditures	6,000	(2,796)	3,204	1,416	1,788
	<u>1,132,950</u>	<u>(63,804)</u>	<u>1,069,146</u>	<u>866,118</u>	<u>203,028</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,776,844	99,967	1,876,811	1,869,161	7,650
Salaries of Other Professional Staff	533,858		533,858	533,858	
Salaries of Secretarial and Clerical Assistants	438,111	(5,694)	432,417	414,846	17,571
Purchased Professional and Technical Services		1,800	1,800	1,750	50
Other Purchased Services	19,000	(19,000)			
Travel		19,235	19,235	19,235	
Supplies and Materials	43,300	3,474	46,774	37,441	9,333
Other Objects	1,500	10,856	12,356	7,759	4,597
	<u>2,812,613</u>	<u>110,638</u>	<u>2,923,251</u>	<u>2,884,050</u>	<u>39,201</u>
Central Services					
Salaries	476,160	52,715	528,875	525,291	3,584
Purchased Technical Services	15,000	32,141	47,141	46,682	459
Misc. Purchased Services	5,000	2,370	7,370	6,856	514
Supplies and Materials	13,500	(3,100)	10,400	10,400	-
Miscellaneous Expenditures	4,500	500	5,000	3,300	1,700
	<u>514,160</u>	<u>84,626</u>	<u>598,786</u>	<u>592,529</u>	<u>6,257</u>
Administration - Information Technology Services					
Purchased Technical Services	161,502	(7,347)	154,155	154,155	
Other Purchased Services	25,000	(1,467)	23,533	22,713	820
	<u>186,502</u>	<u>(8,814)</u>	<u>177,688</u>	<u>176,868</u>	<u>820</u>

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

Exhibit C-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 278,348	\$ 7,175	\$ 285,523	\$ 277,702	\$ 7,821
Cleaning, Repair and Maintenance Services	209,600	(42,311)	167,289	136,282	31,007
General Supplies	93,000	(85,413)	7,587	2,299	5,288
Other Objects	-	642	642	-	642
Total Required Maint. For School Facilities	580,948	(119,907)	461,041	416,283	44,758
Custodial Services					
Salaries	1,865,270	284,856	2,150,126	2,107,731	42,395
Purchased Professional and Technical Services	93,500	22,015	115,515	82,949	32,566
Cleaning, Repair and Maintenance Services	431,904	387,997	819,901	786,836	33,065
Other Purchased Property Services	205,000	15,302	220,302	175,513	44,789
Rental		97,210	97,210	95,560	1,650
Insurance	211,800	(9,173)	202,627		202,627
General Supplies	232,400	(25,578)	206,822	192,396	14,426
Energy (Natural Gas)	183,500	26,550	210,050	182,335	27,715
Energy (Electricity)	477,000	13,116	490,116	469,829	20,287
Other Objects	3,000	(359)	2,641	1,402	1,239
Total Custodial Services	3,703,374	811,936	4,515,310	4,094,551	420,759
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	4,500	(334)	4,166		4,166
Cleaning, Repair and Maintenance Svc.	96,100	(375)	95,725	81,733	13,992
General Supplies	63,800	(18,180)	45,620	40,931	4,689
Total Care and Upkeep of Grounds	164,400	(18,889)	145,511	122,664	22,847
Security					
Purchased Professional and Technical Services	374,000	(273,084)	100,916	84,310	16,606
Total Security	374,000	(273,084)	100,916	84,310	16,606
Student Transportation Services					
Salaries of Non-Instructional Aides	115,540	3,826	119,366	116,420	2,946
Contracted Serv. - Aid in Lieu Pymts - NonPub Sch	35,000	7,600	42,600	42,600	
Contracted Serv. (Bet. Home and Sch)-Vendors	428,300	36,693	464,993	464,980	13
Contracted Serv. (Oth. Than Bet. Home and Sch)-Vendors	413,480	133,698	547,178	514,343	32,835
Contracted Serv. (Sp Ed Stds)-Vendors	666,500	169,115	835,615	826,999	8,616
Total Student Transportation Services	1,658,820	350,932	2,009,752	1,965,342	44,410
Unallocated Benefits - Employee Benefits					
Social Security Contributions	640,218	(2,881)	637,337	637,337	
TPAF Contributions - ERIP	19,000	(19,000)			
Other Retirement Contribution-PERS	722,241	75,970	798,211	798,211	
Other Retirement Contribution-Regular	-	14,000	14,000	12,794	1,206
Unemployment Compensation	25,000	(25,000)			
Worker's Compensation	421,000	(421,000)			
Health Benefits	6,448,216	(482,465)	5,965,751	5,822,149	143,602
Tuition Reimbursement		31,666	31,666	9,790	21,876
Other Employee Benefits	8,800	(962)	7,838	7,174	664
Unused Sick Payments to Terminated/Retired Staff	100,000	87,275	187,275	143,638	43,637
Total Unallocated Benefits - Employee Benefits	8,384,475	(742,397)	7,642,078	7,431,093	210,985
TPAF Pension Contribution (Non Budgeted)					
Normal Pension Contribution				4,925,638	(4,925,638)
NCGI Contribution				103,106	(103,106)
Long-Term Disability Contribution				3,530	(3,530)
Post Retirement Contribution				2,281,030	(2,281,030)
TPAF Social Security Contribution (Non Budgeted)	-	-	-	1,874,906	(1,874,906)
	-	-	-	9,188,210	(9,188,210)
Total Undistributed Expenditures	30,044,141	(515,188)	29,528,953	36,922,717	(7,393,764)
Total Current Expenditures	56,903,729	(38,009)	56,865,720	63,605,243	(6,739,523)

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 9-12		\$ 14,185	\$ 14,185	\$ 14,185	
School Sponsored & Other Instructional Programs		19,850	19,850	19,850	
Undistributed Expenditures					
Custodial Services	\$ 62,000	205,325	267,325	260,825	\$ 6,500
Total Equipment	62,000	239,360	301,360	294,860	6,500
Facilities and Acquisitions					
Other Purchased Prof. and Tech. Services		2,600	2,600	1,300	1,300
Construction Services		757,400	757,400	563,819	193,581
Assessment for Debt Service on SDA Funding	67,210	-	67,210	67,210	-
Total Facilities and Acquisitions	67,210	760,000	827,210	632,329	194,881
Interest Deposit to Capital Reserve	2,500	-	2,500	-	2,500
Total Capital Outlay	131,710	999,360	1,131,070	927,189	203,881
SPECIAL SCHOOLS					
Summer School - Instruction					
Other Salaries for Instruction	5,000	(11)	4,989	4,685	304
Total Summer School - Instruction	5,000	(11)	4,989	4,685	304
Summer School - Support Services					
Personal Services - Employee Benefits	347	11	358	358	-
Total Summer School - Support Services	347	11	358	358	-
Total Special Schools	5,347	-	5,347	5,043	304
Total Expenditures - General Fund	57,040,786	961,351	58,002,137	64,537,475	(6,535,338)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(792,115)	(960,611)	(1,752,726)	1,038,056	2,790,782
Other Financing Sources (Uses)					
Transfers In - Capital Projects				10,353	10,353
Transfers to - Capital Projects from Capital Reserve	(760,000)	760,000			
Transfers to Cover Deficit - Enterprise Funds	(34,600)	18,263	(16,337)	(16,337)	-
Total Other Financing Sources (Uses)	(794,600)	778,263	(16,337)	(5,984)	10,353
Excess (Deficiency) of Revenues Over (Under) Expenditures and Financing Sources	(1,586,715)	(182,348)	(1,769,063)	1,032,072	2,801,135
Fund Balances, Beginning of Year	5,693,283	-	5,693,283	5,693,283	-
Fund Balances, End of Year	\$ 4,106,568	\$ (182,348)	\$ 3,924,220	\$ 6,725,355	\$ 2,801,135

Recapitulation of Fund Balance

Restricted					
Excess Surplus				\$ 300,000	
Capital Reserve				2,872,049	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,568,343	
Committed					
Year-end Encumbrances				125,013	
Assigned					
Year-end Encumbrances				111,852	
Designated for Subsequent Year's Expenditures				566,095	
Unassigned Fund Balance				1,182,003	
				6,725,355	
Less State Aid not Recognized on a GAAP Basis				(793,975)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,931,380	

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

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources		\$ 115,877	\$ 115,877	\$ 78,532	\$ (37,345)
State Sources	\$ 153,417	77,500	230,917	205,911	(25,006)
Federal Sources	827,319	267,937	1,095,256	928,610	(166,646)
 Total Revenues	 <u>980,736</u>	 <u>461,314</u>	 <u>1,442,050</u>	 <u>1,213,053</u>	 <u>(228,997)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	112,840	(29,297)	83,543	79,600	3,943
Purchased Professional & Technical Svc		46,898	46,898	46,898	
Purchased Professional & Educational Svc		2,000	2,000	2,000	
Other Purchased Services	408,231	(58,729)	349,502	349,474	28
General Supplies	212,591	53,715	266,306	206,792	59,514
Textbooks	22,000	4,540	26,540	26,493	47
 Total Instruction	 <u>755,662</u>	 <u>19,127</u>	 <u>774,789</u>	 <u>711,257</u>	 <u>63,532</u>
Support Services					
Salaries of Teachers	10,400	16,822	27,222	10,320	16,902
Personal Services - Employee Benefits	795	7,651	8,446	6,878	1,568
Purchased Professional & Technical Svc	5,000	175,539	180,539	135,689	44,850
Purchased Professional & Educational Svc	130,962	(80,050)	50,912	39,075	11,837
Other Purchased Professional Services	45,241	8,982	54,223	54,223	
Other Purchased Services	13,176	170,080	183,256	163,362	19,894
General Supplies	4,500	33,307	37,807	19,046	18,761
Other Objects	-	15,721	15,721	15,721	-
 Total Support Services	 <u>210,074</u>	 <u>348,052</u>	 <u>558,126</u>	 <u>444,314</u>	 <u>113,812</u>
Facilities Acquisition and Construction					
Services					
Instructional Equipment	15,000	46,507	61,507	10,007	51,500
Noninstructional Equipment	-	47,628	47,628	47,475	153
 Total Facilities Acquisition and Construction Services	 <u>15,000</u>	 <u>94,135</u>	 <u>109,135</u>	 <u>57,482</u>	 <u>51,653</u>
 Total Expenditures	 <u>980,736</u>	 <u>461,314</u>	 <u>1,442,050</u>	 <u>1,213,053</u>	 <u>228,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources/Inflows of Resources		
Actual revenue amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 65,575,531	\$ 1,213,053
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations		
June 30,2018		2,537
June 30,2019		(22,161)
State Aid payment not recognized for GAAP purposes, not recognized for budgetary statements. (2017/2018 State Aid)	1,009,172	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2018/2019 State Aid)	<u>(793,975)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 65,790,728</u>	<u>\$ 1,193,429</u>
Uses/Outflows of Resources		
Actual expenditure amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 64,537,475	\$ 1,213,053
Differences-Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30,2018		\$ 2,537
June 30,2019	<u>-</u>	<u>(22,161)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 64,537,475</u>	<u>\$ 1,193,429</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.13866 %	0.13893 %	0.13114 %	0.13065 %	0.12026 %	0.12681 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 27,303,046</u>	<u>\$ 32,342,692</u>	<u>\$ 38,838,939</u>	<u>\$ 29,329,571</u>	<u>\$ 22,517,299</u>	<u>\$ 24,236,483</u>
District's Covered Payroll	<u>\$ 9,428,719</u>	<u>\$ 9,207,855</u>	<u>\$ 9,053,528</u>	<u>\$ 8,820,274</u>	<u>\$ 8,698,012</u>	<u>\$ 8,331,976</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	289.57%	351.25%	428.99%	332.52%	258.88%	290.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

Public Employees Retirement System

Last Six Fiscal Years
 (Dollar amounts in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,379,299	\$ 1,287,118	\$ 1,165,000	\$ 1,123,288	\$ 991,465	\$ 1,063,968
Contributions in Relation to the Contractually Required Contribution	<u>1,379,299</u>	<u>1,287,118</u>	<u>1,165,000</u>	<u>1,123,288</u>	<u>991,465</u>	<u>1,063,968</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 8,927,927</u>	<u>\$ 9,428,719</u>	<u>\$ 9,207,855</u>	<u>\$ 9,053,528</u>	<u>\$ 8,820,274</u>	<u>\$ 8,698,012</u>
Contributions as a Percentage of Covered Payroll	15.45%	13.65%	12.65%	12.41%	11.24%	12.23%

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

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

Teachers Pension and Annuity Fund

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 192,758,538</u>	<u>\$ 201,709,593</u>	<u>\$ 229,882,009</u>	<u>\$ 177,469,574</u>	<u>\$ 155,072,298</u>	<u>\$ 140,923,005</u>
Total	<u>\$ 192,758,538</u>	<u>\$ 201,709,593</u>	<u>\$ 229,882,009</u>	<u>\$ 177,469,574</u>	<u>\$ 155,072,298</u>	<u>\$ 140,923,005</u>
District's Covered Payroll	<u>\$ 34,006,335</u>	<u>\$ 32,968,540</u>	<u>\$ 31,124,171</u>	<u>\$ 30,464,167</u>	<u>\$ 28,604,258</u>	<u>\$ 28,131,131</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes of Benefit Terms: None.

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 5,193,810	\$ 6,325,826
Interest on Total OPEB Liability	4,376,352	3,736,263
Differences Between Expected and Actual Experience	(9,818,763)	-
Changes of Assumptions	(11,885,001)	(15,639,149)
Gross Benefit Payments	(2,769,384)	(3,313,756)
Contribution from the Member	<u>95,714</u>	<u>122,021</u>
Net Change in Total OPEB Liability	(14,807,272)	(8,768,795)
Total OPEB Liability - Beginning	<u>118,375,749</u>	<u>127,144,544</u>
Total OPEB Liability - Ending	<u>\$ 103,568,477</u>	<u>\$ 118,375,749</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>103,568,477</u>	<u>118,375,749</u>
Total OPEB Liability - Ending	<u>\$ 103,568,477</u>	<u>\$ 118,375,749</u>
District's Covered Payroll	<u>\$ 43,435,054</u>	<u>\$ 42,176,395</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SPECIAL REVENUE FUND

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

	<u>Local Grants</u>	<u>Nonpublic Nursing</u>	<u>Security Aid</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Chapter 192 Home Instruction</u>	<u>Chapter 193 Exam. and Class</u>	<u>Suppl. Inst.</u>	<u>Exhibit E-1a Totals</u>	<u>Grand Totals</u>
REVENUES										
Intergovernmental										
State		\$ 54,223	\$ 75,009	\$ 13,611	\$ 26,493	\$ 3,551	\$ 17,481	\$ 15,543		\$ 205,911
Federal									\$ 928,610	928,610
Local Sources										
Miscellaneous	\$ 78,532	-	-	-	-	-	-	-	-	78,532
Total Revenues	\$ 78,532	\$ 54,223	\$ 75,009	\$ 13,611	\$ 26,493	\$ 3,551	\$ 17,481	\$ 15,543	\$ 928,610	\$ 1,213,053
EXPENDITURES										
Instruction										
Salaries of Teachers									\$ 79,600	\$ 79,600
Purchased Professional & Technical Svc	\$ 500								46,398	46,898
Purchased Professional & Educational Svc	2,000								-	2,000
Other Purchased Services									349,474	349,474
General Supplies	6,208		\$ 75,009	\$ 13,611					111,964	206,792
Textbooks	-	-	-	-	\$ 26,493	-	-	-	-	26,493
Total Instruction	8,708	-	75,009	13,611	26,493	-	-	-	587,436	711,257
Support Services										
Salaries of Teachers									10,320	10,320
Personal Services - Employee Benefits									6,878	6,878
Purchased Professional & Technical Svc	3,556								132,133	135,689
Purchased Professional & Educational Svc	2,500					\$ 3,551	\$ 17,481	\$ 15,543	-	39,075
Other Purchased Professional Services		\$ 54,223							-	54,223
Other Purchased Services	3,230								160,132	163,362
General Supplies	12,746								6,300	19,046
Other Objects	317	-	-	-	-	-	-	-	15,404	15,721
Total Support Services	22,349	54,223	-	-	-	3,551	17,481	15,543	331,167	444,314
Equipment										
Instructional Equipment		-	-	-	-	-	-	-	10,007	10,007
Non-Instructional Equipment	47,475	-	-	-	-	-	-	-	-	47,475
Total Facilities Acq. & Construction	47,475	-	-	-	-	-	-	-	10,007	57,482
Total Expenditures	\$ 78,532	\$ 54,223	\$ 75,009	\$ 13,611	\$ 26,493	\$ 3,551	\$ 17,481	\$ 15,543	\$ 928,610	\$ 1,213,053

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

	ESEA					Individuals with Disabilities Education Act	Career Pathways	Total Exhibit E-1a
	Title I	Title IIA	Title III	Title III - Immigrant	Title IV	Part B, Basic		
REVENUES								
Intergovernmental								
Federal	\$ 138,399	\$ 115,606	\$ 37,617	\$ 8,327	\$ 80,000	\$ 466,858	81,803	928,610
Total Revenues	\$ 138,399	\$ 115,606	\$ 37,617	\$ 8,327	\$ 80,000	\$ 466,858	\$ 81,803	\$ 928,610
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 79,600							\$ 79,600
Purchased Professional & Technical Svc	6,994		\$ 17,750	\$ 293	\$ 21,361			46,398
Purchased Professional & Educational Svc								-
Other Purchased Services	33,816				2,800	\$ 312,858		349,474
General Supplies	4,795	-	13,335	6,147	34,659	-	\$ 53,028	111,964
Total Instruction	125,205	-	31,085	6,440	58,820	312,858	53,028	587,436
Support Services								
Salaries of Teachers							10,320	10,320
Personal Services - Employee Benefits	6,089						789	6,878
Purchased Professional & Technical Svc.		\$ 108,876	600		2,800	14,000	5,857	132,133
Purchased Professional & Educational Svc								-
Other Purchased Professional Services								-
Other Purchased Services		950	4,718		9,800	140,000	4,664	160,132
General Supplies			462	1,720			4,118	6,300
Other Objects	7,105	5,780	752	167	1,600	-	-	15,404
Total Support Services	13,194	115,606	6,532	1,887	14,200	154,000	25,748	331,167
Equipment								
Instructional Equipment					6,980		3,027	10,007
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acq. & Construction	-	-	-	-	6,980	-	3,027	10,007
Total Expenditures	\$ 138,399	\$ 115,606	\$ 37,617	\$ 8,327	\$ 80,000	\$ 466,858	\$ 81,803	\$ 928,610

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Issue/Project Title	Approval Date	Appropriations	Appropriation Modifications	Modified Appropriation	Expenditures to Date		Cancelled	Balance, June 30, 2019
					Prior Year	Current Year		
HVAC and Roof Replacement	7/24/2015	\$ 821,102		\$ 821,102	\$ 273,998	\$ 49,922		\$ 497,182
Various Improvements to Demarest and Old Tappan High Schools	3/8/2016	<u>11,707,485</u>	\$ 435,863	<u>12,143,348</u>	<u>12,122,100</u>	<u>-</u>	<u>-</u>	<u>21,248</u>
		<u>\$ 12,528,587</u>	<u>\$ 435,863</u>	<u>\$ 12,964,450</u>	<u>\$ 12,396,098</u>	<u>\$ 49,922</u>	<u>\$ -</u>	<u>\$ 518,430</u>
Project Balances, June 30, 2019								\$ 518,430
Less: Bonds Authorized but Not Issued								<u>(485)</u>
Fund Balance, June 30, 2019 (Budgetary Basis)								\$ 517,945
Less: Unearned Revenue								<u>(375,303)</u>
Fund Balance, June 30, 2019 (GAAP Basis)								<u>\$ 142,642</u>
<u>Recapitulation of Fund Balance - June 30, 2019 (GAAP Basis)</u>								
Restricted:								
Year-End Encumbrances								\$ 842
Available for Capital Projects								142,285
Bonds Authorized Not Issued								<u>(485)</u>
Total Fund Balance - Restricted for Capital Projects								<u>\$ 142,642</u>

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

REVENUES AND OTHER FINANCING SOURCES

Revenues

Interest Income	\$ <u>10,353</u>
 Total Revenues	 <u>10,353</u>
 EXPENDITURES AND OTHER FINANCING USES	
Construction Services	49,922
Transfer to Capital Reserve	<u>10,353</u>
 Total Expenditures and Other Financing Uses	 <u>60,275</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (49,922)
 Fund Balance, July 1, 2018	 <u>567,867</u>
 Fund Balance, June 30, 2019 (Budgetary Basis)	 517,945
 Reconciliation to GAAP	
Unearned Revenue- SDA Grant	<u>375,303</u>
 Fund Balance- June 30, 2019 (GAAP Basis)	 <u>\$ 142,642</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
HVAC AND ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 484,902		\$ 484,902	\$ 484,902
Transfer from Capital Reserve	336,200	-	336,200	336,200
	<u>821,102</u>	<u>-</u>	<u>821,102</u>	<u>821,102</u>
Total Revenues	821,102	-	821,102	821,102
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	17,112		17,112	50,000
Construction Services	256,886	\$ 49,922	306,808	771,102
	<u>273,998</u>	<u>49,922</u>	<u>323,920</u>	<u>821,102</u>
Total Expenditures	273,998	49,922	323,920	821,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 547,104	\$ (49,922)	\$ 497,182	\$ -

Additional Project Information:

Project Numbers	3710-050-14-1002-604
Grant Date	7/24/2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,212,256
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,212,256
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	09/01/15
Revised Target Completion Date	06/30/19

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
VARIOUS IMPROVEMENTS AT DEMAREST AND OLD TAPPAN HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 11,707,000		\$ 11,707,000	\$ 11,707,485
Transfer from Capital Reserve	<u>435,863</u>	<u>-</u>	<u>435,863</u>	<u>435,863</u>
 Total Revenues	 <u>12,142,863</u>	 <u>-</u>	 <u>12,142,863</u>	 <u>12,143,348</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	\$ 1,171,550		1,171,550	1,500,485
Construction Services	10,563,697		10,563,697	10,487,512
General Supplies	<u>386,853</u>	<u>-</u>	<u>386,853</u>	<u>155,351</u>
 Total Expenditures	 <u>12,122,100</u>	 <u>-</u>	 <u>12,122,100</u>	 <u>12,143,348</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ 20,763</u>	 <u>\$ -</u>	 <u>\$ 20,763</u>	 <u>\$ -</u>

Additional Project Information:

Project Numbers: 3710-060-14-2000
3710-060-14-3000
3710-060-14-4000
3710-050-15-1000
3710-050-15-2000
3710-060-15-1000
3710-060-16-1000
3710-050-14-3000

Grant Date N/A
Bond Authorization Date 03/08/16
Bonds Authorized 07/12/16
Bonds Issued \$ 11,707,000
Original Authorized Cost \$ 11,707,485
Additional Authorized Cost \$ 435,863
Revised Authorized Cost \$ 12,143,348

Percentage Increase Over Original
Authorized Cost 4%
Percentage Completion 100%
Original Target Completion Date 06/30/18
Revised Target Completion Date 06/30/18

ENTERPRISE FUNDS

NORTHERN REGIONAL HIGH SCHOOL DISTRICT
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019

	Business Type Activities		
	Non-Major Programs		
	Food Service	Teens and Totals	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 117,508	\$ 31,621	\$ 149,129
Intergovernmental Receivable		624	624
Other Accounts Receivable		260	260
Due from Other Funds		5,794	5,794
Inventories	<u>10,141</u>	<u>-</u>	<u>10,141</u>
Total Current Assets	<u>127,649</u>	<u>38,299</u>	<u>165,948</u>
Capital Assets			
Furniture, machinery & equipment	238,346		238,346
Less: Accumulated Depreciation	<u>(203,206)</u>	<u>-</u>	<u>(203,206)</u>
Total Capital Assets	<u>35,140</u>	<u>-</u>	<u>35,140</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflow of Resources	<u>162,789</u>	<u>38,299</u>	<u>201,088</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	212		212
Accrued Salaries and Benefits		4,815	4,815
Other Payable		30,720	30,720
Unearned Revenue	<u>-</u>	<u>1,250</u>	<u>1,250</u>
Total Current Liabilities	<u>212</u>	<u>36,785</u>	<u>36,997</u>
Noncurrent Liabilities			
Compensated Absences		9,551	9,551
Net Pension Liability	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>-</u>	<u>9,551</u>	<u>9,551</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflow of Resources	<u>212</u>	<u>46,336</u>	<u>46,548</u>
NET POSITION			
Net Investment in Capital Assets	35,140	-	35,140
Unrestricted	<u>127,437</u>	<u>(8,037)</u>	<u>119,400</u>
Total Net Position	<u>\$ 162,577</u>	<u>\$ (8,037)</u>	<u>\$ 154,540</u>

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

	Business Type Activities		
	Non-Major Programs		
	Food Service	Teens and Tots	Totals
OPERATING REVENUES			
Charges for Services			
Daily sales - non-reimbursable	\$ 954,746		\$ 954,746
Special Functions	51,379		51,379
Charges and Fees	-	\$ 246,243	246,243
	<u>1,006,125</u>	<u>246,243</u>	<u>1,252,368</u>
OPERATING EXPENSES			
Cost of Sales - non-reimbursable	455,418		455,418
Salaries/Salaries of Teachers	285,420	248,594	534,014
Unallocated Benefits	81,202	92,494	173,696
Other Purchased Services	114,044		114,044
Supplies and Materials	28,699	16,495	45,194
Depreciation	4,701	-	4,701
	<u>969,484</u>	<u>357,583</u>	<u>1,327,067</u>
Total Operating Expenses			
Operating Income (Loss)	<u>36,641</u>	<u>(111,340)</u>	<u>(74,699)</u>
NONOPERATING REVENUES			
On-Behalf (Non-Budgeted)			
TPAF Pension System			
Post Retirement Medical		15,176	15,176
Normal Cost		32,770	32,770
NCGI		686	686
Long-Term Disability		23	23
Reimbursed TPAF S.S.		12,355	12,355
GASB 68 - TPAF On Behalf Adjustment		24,977	24,977
Interest	3,616	979	4,595
	<u>3,616</u>	<u>86,966</u>	<u>90,582</u>
Total Non-Operating Revenues			
Net Income (Loss) Before Transfers	40,257	(24,374)	15,883
Transfers			
Transfers In	-	16,337	16,337
Change in Net Position	40,257	(8,037)	32,220
Total Net Position - Beginning of Year	<u>122,320</u>	<u>-</u>	<u>122,320</u>
Total Net Position - Ending of Year	<u>\$ 162,577</u>	<u>\$ (8,037)</u>	<u>\$ 154,540</u>

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

	Business Type Activities		
	Non-Major Programs		
	Food Service	Teens and Tots	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,006,125	\$ 262,070	\$ 1,268,195
Payments to Employees and Benefits	(366,622)	(262,358)	(628,980)
Payments to Suppliers for Goods and Services	(599,053)	(16,495)	(615,548)
Net Cash Provided by(Used for) operating activities	<u>40,450</u>	<u>(16,783)</u>	<u>23,667</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from State Subsidy Reimbursement		12,047	12,047
Interfund Transfers	-	<u>22,562</u>	<u>22,562</u>
Net cash provided by (used for) Noncapital financing activities	-	<u>34,609</u>	<u>34,609</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(5,836)	-	(5,836)
Net cash provided by(used for) capital and related financing activities	<u>(5,836)</u>	<u>-</u>	<u>(5,836)</u>
CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES			
Interest on Investments	<u>3,616</u>	<u>979</u>	<u>4,595</u>
Net cash provided by(used for) capital and related financing activities	<u>3,616</u>	<u>979</u>	<u>4,595</u>
Net increase (decrease) in cash and cash equivalents	38,230	18,805	57,035
Cash and Cash Equivalents - Beginning of Year	<u>79,278</u>	<u>12,816</u>	<u>92,094</u>
Cash and Cash Equivalents - End of Year	<u>\$ 117,508</u>	<u>\$ 31,621</u>	<u>\$ 149,129</u>
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities			
Operating Income(Loss)	\$ 36,641	\$ (111,340)	\$ (74,699)
Adjustments to reconcile operating income(loss) to net cash provided (used) by operating activities			
Non-Cash State On Behalf TPAF Pension and OPEB Contributions		73,632	73,632
Depreciation	4,701		4,701
(Increase) Decrease in accounts receivable, net		4,789	4,789
(Increase) Decrease in inventories	(1,104)		(1,104)
Increase(decrease) in unearned revenues		(950)	(950)
Increase(decrease) in other payable		11,988	11,988
Increase(decrease) in accounts payable	212		212
Increase(decrease) in accrued salaries and benefits		4,815	4,815
Increase(decrease) in noncurrent liabilities	-	<u>283</u>	<u>283</u>
Total adjustments	<u>3,809</u>	<u>94,557</u>	<u>98,366</u>
Net cash provided by (used for) operating activities	<u>\$ 40,450</u>	<u>\$ (16,783)</u>	<u>\$ 23,667</u>

FIDUCIARY FUNDS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 691,626	\$ 97,076	\$ 788,702
Total Assets	<u>\$ 691,626</u>	<u>\$ 97,076</u>	<u>\$ 788,702</u>
LIABILITIES			
Due to Student Groups	\$ 691,626		\$ 691,626
Due to Other Funds		\$ 58,145	58,145
Reserve for Flexible Spending		24,511	24,511
Accrued Salaries and Wages		10,648	10,648
Payroll Deductions and Withholdings	<u>-</u>	<u>3,772</u>	<u>3,772</u>
Total Liabilities	<u>\$ 691,626</u>	<u>\$ 97,076</u>	<u>\$ 788,702</u>

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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>
SENIOR HIGH SCHOOLS:				
Demarest:				
General Organization Account	\$ 371,356	\$ 712,207	\$ 719,172	\$ 364,391
Athletic Account		87,391	87,291	100
Old Tappan:				
General Organization Account	368,435	786,678	827,978	327,135
Athletic Account	-	74,101	74,101	-
	<u>\$ 739,791</u>	<u>\$ 1,660,377</u>	<u>\$ 1,708,542</u>	<u>\$ 691,626</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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>
Payroll Deductions and Withholdings		\$ 24,397,920	\$ 24,394,148	\$ 3,772
Accrued Salaries and Wages	\$ 10,988	28,350,305	28,350,645	10,648
Reserve for Flexible Spending	26,132	97,456	99,077	24,511
Due to Other Funds	54,045	59,481	55,381	58,145
	<u>\$ 91,165</u>	<u>\$ 52,905,162</u>	<u>\$ 52,899,251</u>	<u>\$ 97,076</u>

LONG-TERM DEBT

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
2009 School Bonds	8/4/2009	\$ 2,290,000	8/1/2019	\$ 220,000	3.00 %	\$ 1,700,000	\$ 215,000	\$ 1,485,000
			8/1/2020	230,000	3.25			
			8/1/2021	240,000	3.50			
			8/1/2022	255,000	3.50			
			8/1/2023	265,000	4.00			
			8/1/2024	275,000	4.00			
2016 School Bonds	7/12/2016	11,707,000	8/1/2019	525,000	2.00	11,707,000	500,000	11,207,000
			8/1/2020	550,000	2.00			
			8/1/2021	575,000	2.00			
			8/1/2022-8/1/2028	1,000,000	2.00			
			8/1/2029	900,000	2.00			
			8/1/2030	850,000	2.00			
			8/1/2031	807,000	2.50			
2017 Refunding School Bonds	2/2/2017	7,400,000	2/1/2020	1,485,000	4.00	6,020,000	1,430,000	4,590,000
			2/1/2021	1,545,000	4.00			
			2/1/2022	1,000,000	3.00			
			2/1/2022	560,000	4.00			
						<u>\$ 19,427,000</u>	<u>\$ 2,145,000</u>	<u>\$ 17,282,000</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS/LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2018</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Modular Classroom Building	7.94%	\$ 412,490	\$ <u>246,534</u>	\$ <u>75,985</u>	\$ <u>170,549</u>
			<u>\$ 246,534</u>	<u>\$ 75,985</u>	<u>\$ 170,549</u>

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,396,656		\$ 2,396,656	\$ 2,396,656	
State Sources					
Debt Service Aid	<u>239,673</u>	\$ -	<u>239,673</u>	<u>239,673</u>	-
Total Revenues	<u>2,636,329</u>	-	<u>2,636,329</u>	<u>2,636,329</u>	-
EXPENDITURES					
Regular Debt Service					
Principal	2,145,000		2,145,000	2,145,000	
Interest	<u>517,431</u>	-	<u>517,431</u>	<u>517,431</u>	-
Total Expenditures	<u>2,662,431</u>	-	<u>2,662,431</u>	<u>2,662,431</u>	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(26,102)		(26,102)	(26,102)	-
Fund Balance, Beginning of Year	<u>31,251</u>	-	<u>31,251</u>	<u>31,251</u>	-
Fund Balance, End of Year	<u>\$ 5,149</u>	\$ -	<u>\$ 5,149</u>	<u>\$ 5,149</u>	<u>\$ -</u>

Recapitulation of Fund Balance:

Restricted for Debt Service:

Designed for Subsequent Year's Expenditures	<u>\$ 5,149</u>
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STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

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	Fiscal Year									
	2010	2011	2012	2013	2014	2015 (Restated)	2016	2017 (Restated)	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 19,823,544	\$ 21,274,677	\$ (7,702,913)	\$ (6,002,113)	\$ (5,679,679)	\$ (4,835,391)	\$ (2,655,839)	\$ (1,537,942)	\$ (212,540)	\$ 1,751,382
Restricted	3,197,856	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137	2,194,207	3,450,445	4,567,420
Unrestricted	(233,186)	159,192	110,430	(932,197)	269,738	(14,728,127)	(15,276,946)	(15,062,664)	(16,699,317)	(17,764,349)
Total Governmental Activities Net Position	\$ 22,788,214	\$ 23,429,133	\$ (5,289,570)	\$ (4,238,412)	\$ (3,777,689)	\$ (16,986,853)	\$ (15,633,648)	\$ (14,406,399)	\$ (13,461,412)	\$ (11,445,547)
Business-Type Activities										
Net Investment in Capital Assets	\$ 65,738	\$ 63,516	\$ 94,520	\$ 106,452	\$ 107,934	\$ 88,085	\$ 95,402	\$ 92,526	\$ 106,483	\$ 92,748
Unrestricted	2,305,706	1,938,170	3,344,331	3,701,448	4,934,685	(3,984,203)	(4,492,879)	(6,135,564)	(7,757,032)	(6,668,538)
Total Business-Type Activities Net Position	\$ 2,371,444	\$ 2,001,686	\$ 3,438,851	\$ 3,807,900	\$ 5,042,619	\$ (3,896,118)	\$ (4,397,477)	\$ (6,043,038)	\$ (7,650,549)	\$ (6,575,790)
District-Wide										
Net Investment in Capital Assets	\$ 19,889,282	\$ 21,338,193	\$ (7,608,393)	\$ (5,895,661)	\$ (5,571,745)	\$ (4,747,306)	\$ (2,560,437)	\$ (1,445,416)	\$ (106,057)	\$ 1,844,130
Restricted	3,197,856	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137	2,194,207	3,450,445	4,567,420
Unrestricted	2,072,520	2,097,362	3,454,761	2,769,251	5,204,423	(18,712,330)	(19,769,825)	(21,198,228)	(24,456,349)	(24,432,887)
Total District Net Position	\$ 25,159,658	\$ 25,430,819	\$ (1,850,719)	\$ (430,512)	\$ 1,264,930	\$ (20,882,971)	\$ (20,031,125)	\$ (20,449,437)	\$ (21,111,961)	\$ (18,021,337)

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 23,425,252	\$ 24,244,866	\$ 25,153,023	\$ 26,346,867	\$ 25,455,524	\$ 26,513,942	\$ 32,470,087	\$ 36,453,238	\$ 37,509,266	\$ 35,994,518
Special Education	2,789,760	2,889,126	2,979,516	2,974,170	2,956,280	3,612,972	7,590,218	8,573,915	9,014,717	7,038,978
Other Instruction	2,455,672	2,402,119	2,098,270	2,662,527	2,706,078	2,573,423	215,251	274,467	367,800	384,015
School Sponsored Activities and Athletics	-	-	-	-	-	-	3,194,204	3,588,010	3,893,781	3,430,891
Support Services:										
Tuition	2,350,378	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032	-	-	-	-
Student and Instruction Related Services	7,205,573	7,086,118	7,583,943	7,868,758	7,958,877	7,699,646	8,754,056	9,243,193	9,705,031	9,196,610
School Administration Services	3,452,927	3,443,344	3,649,567	3,805,148	3,656,647	3,500,274	4,417,188	4,898,033	4,722,623	4,817,049
General and Business Administrative Services	2,205,913	2,009,499	1,845,039	1,888,064	2,261,567	1,887,360	1,301,361	1,288,164	1,471,261	1,279,639
Plant Operations And Maintenance	5,161,699	4,772,743	4,460,706	4,643,563	5,103,097	4,954,125	5,591,664	6,124,479	6,931,247	7,391,167
Pupil Transportation	1,723,880	1,578,324	1,626,519	1,683,728	1,654,579	1,641,240	1,619,265	1,720,084	1,756,972	2,040,701
Business and Other Support Services	-	-	-	-	-	-	965,986	946,417	1,048,946	1,132,655
Special Schools	71,929	70,788	82,407	75,940	68,385	24,058	-	-	-	-
SDA Debt Service Assessment	-	-	48,392	67,210	67,210	67,210	-	-	-	-
Interest on Long-Term Debt	897,025	890,275	814,257	749,942	682,605	612,133	537,815	653,603	428,469	397,139
Total Governmental Activities Expenses	51,740,008	52,083,804	53,445,149	56,496,744	56,525,029	57,425,415	66,657,095	73,763,603	76,850,113	73,103,362
Business-Type Activities										
Non-Major Programs	1,086,590	1,238,009	1,306,605	1,637,461	1,468,489	1,540,339	1,774,493	1,885,936	1,601,127	1,327,067
Technical Services	2,161,043	2,589,519	2,394,890	2,105,617	2,666,938	1,550,888	1,116,044	960,341	929,634	927,736
Teens and Tots	286,548	286,889	282,741	-	-	-	-	-	-	-
Regional Cooperative Program	928,198	860,221	904,957	958,507	956,561	1,183,505	1,434,251	1,579,032	1,621,187	1,739,102
Regional Transportation	2,659,944	1,687,902	1,654,686	1,774,394	1,739,880	1,694,080	1,828,084	2,001,992	2,054,891	2,441,722
Regional Special Education	12,205,812	12,545,985	12,677,576	13,402,912	14,188,829	15,232,292	19,955,763	24,203,108	24,119,979	20,350,154
Total Business-Type Activities Expense	19,328,135	19,208,525	19,221,455	19,878,891	21,020,697	21,201,104	26,108,635	30,630,409	30,326,818	26,785,781
Total District Expenses	\$ 71,068,143	\$ 71,292,329	\$ 72,666,604	\$ 76,375,635	\$ 77,545,726	\$ 78,626,519	\$ 92,765,730	\$ 104,394,012	\$ 107,176,931	\$ 99,889,143
Program Revenues										
Governmental Activities										
Charges For Services										
Regular	-	-	-	-	-	-	\$ 436,515	\$ 479,534	\$ 459,388	\$ 464,142
Special Education	-	-	-	-	-	-	-	57,000	155,686	238,533
Other Instruction	-	-	-	-	-	-	-	-	-	2,612
Interest on long-term debt	\$ 36,772	\$ 13,795	\$ 73,639	\$ 69,537	\$ 64,137	\$ 9,913	-	-	-	-
Operating Grants and Contributions	786,839	797,670	721,118	656,418	588,837	519,927	14,760,738	20,543,568	22,383,681	18,239,000
Capital Grants and Contributions	7,062,631	5,671,276	7,022,318	8,685,113	8,169,263	7,567,533	109,599	41,640	29,250	50,502
Total Governmental Activities Program Revenues	7,886,242	6,482,741	7,817,075	9,411,068	8,822,237	8,097,373	15,306,852	21,121,742	23,028,005	18,994,789
Business-Type Activities										
Charges For Services										
Non-Major Programs	1,093,387	1,261,511	1,285,589	1,605,810	1,506,624	1,477,105	1,675,582	1,705,663	1,522,582	1,252,368
Technical Services	2,075,162	2,115,441	3,156,038	2,069,949	2,610,416	1,318,642	716,682	934,104	891,546	1,062,438
Teens and Tots	258,772	295,237	279,858	-	-	-	-	-	-	-
Regional Cooperative Program	1,001,176	966,349	1,006,340	1,027,687	1,094,086	1,334,198	1,264,099	1,357,097	1,243,284	1,034,182
Regional Transportation	2,574,404	1,697,411	1,645,055	1,751,827	1,751,827	1,968,757	1,580,097	1,960,733	2,051,960	2,437,176
Regional Special Education	12,458,279	12,523,806	13,255,069	13,803,688	15,286,985	15,419,458	17,097,926	18,015,364	17,187,273	17,207,858
Operating Grants And Contributions	-	-	-	-	-	-	3,210,006	4,867,159	5,748,006	4,768,312
Total Business Type Activities Program Revenues	19,461,180	18,859,755	20,649,296	20,237,614	22,249,938	21,518,160	25,544,392	28,840,120	28,644,651	27,762,334
Total District Program Revenues	\$ 27,347,422	\$ 25,342,496	\$ 28,466,371	\$ 29,648,682	\$ 31,072,175	\$ 29,615,533	\$ 40,851,244	\$ 49,961,862	\$ 51,672,656	\$ 46,757,123
Net (Expense)/Revenue										
Governmental Activities	\$ (43,853,766)	\$ (45,601,063)	\$ (45,628,074)	\$ (47,085,676)	\$ (47,702,792)	\$ (49,328,042)	\$ (51,350,243)	\$ (52,641,861)	\$ (53,822,108)	\$ (54,108,573)
Business-Type Activities	133,045	(348,770)	1,427,841	358,723	1,229,241	317,056	(564,243)	(1,790,289)	(1,682,167)	976,553
Total District-Wide Net Expenses	\$ (43,720,721)	\$ (45,949,833)	\$ (44,200,233)	\$ (46,726,953)	\$ (46,473,551)	\$ (49,010,986)	\$ (51,914,486)	\$ (54,432,150)	\$ (55,504,275)	\$ (53,132,020)

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied For General Purposes, Net	\$ 43,158,783	\$ 44,885,134	\$ 45,603,296	\$ 46,515,362	\$ 47,399,154	\$ 48,526,678	\$ 49,835,108	\$ 50,727,156	\$ 51,731,554	\$ 52,910,341
Taxes Levied For Debt Service	852,401	841,570	1,082,867	1,147,183	1,214,763	1,569,746	2,091,842	2,100,486	2,226,494	2,396,656
Federal and State Aid - Unrestricted	112,705	31,416	72,500	151,402	38,883	81,489	44,968	23,541	32,806	1,091
Tuition (other than special schools)	249,114	276,429	307,422	204,028	315,572	336,071				
Investment earnings	75,224	35,101	19,488	24,853	12,573	12,684				
Miscellaneous Income	111,127	171,968	213,458	94,008	143,252	187,837	688,436	534,874	504,924	593,014
Adjustment to Capital Assets	-	-	(30,412,316)	-	(937,461)	-				
N.J. Economic Development Authority grants	-	-	-	-	(23,221)	484,902				
Refunding bond proceeds	611	364	4,956	-	-	-				
State Aid Restricted for Debt Service	-	-	-	-	-	-	92,242	92,135	204,739	239,673
Transfers	-	-	-	-	-	-	(49,148)	(27,452)	66,578	(16,337)
Total Governmental Activities	44,559,965	46,241,982	16,891,671	48,136,836	48,163,515	51,199,407	52,703,448	53,450,740	54,767,095	56,124,438
Business-Type Activities										
Investment earnings	10,696	8,296	9,325	10,326	5,477	6,239	13,736	13,828	27,598	70,635
Refund on prior year revenue	-	-	-	-	-	-				
Miscellaneous Income	-	-	-	-	-	-	49,148	27,452	(66,578)	16,337
Transfers	-	-	-	-	-	-	-	-	113,636	11,234
Change in Net Pension Liability	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	10,696	8,296	9,325	10,326	5,477	6,239	62,884	41,280	74,656	98,206
Total District-Wide	\$ 44,570,661	\$ 46,250,278	\$ 16,900,996	\$ 48,147,162	\$ 48,168,992	\$ 51,205,646	\$ 52,766,332	\$ 53,492,020	\$ 54,841,751	\$ 56,222,644
Change in Net Position										
Governmental Activities	\$ 706,199	\$ 640,919	\$ (28,736,403)	\$ 1,051,160	\$ 460,723	\$ 1,871,365	\$ 1,353,205	\$ 808,879	\$ 944,987	\$ 2,015,865
Business-Type Activities	143,741	(340,474)	1,437,166	369,049	1,234,718	323,295	(501,359)	(1,749,009)	(1,607,511)	1,074,759
Total District	\$ 849,940	\$ 300,445	\$ (27,299,237)	\$ 1,420,209	\$ 1,695,441	\$ 2,194,660	\$ 851,846	\$ (940,130)	\$ (662,524)	\$ 3,090,624

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted		\$ 1,202,640	\$ 1,751,542	\$ 1,904,293	\$ 1,549,498	\$ 1,656,070	\$ 2,784,289	\$ 2,822,534	\$ 4,074,593	\$ 4,740,392
Committed								54,537	94,060	125,013
Assigned		975,231	1,235,849	1,609,490	895,598	842,072	1,052,956	1,101,784	88,288	677,947
Unassigned		946,075	949,913	912,470	996,136	970,618	461,077	364,690	427,170	388,028
Reserved	\$ 2,276,442									
Unreserved	1,099,070									
Total general fund	<u>3,375,512</u>	<u>3,123,946</u>	<u>3,937,304</u>	<u>4,426,253</u>	<u>3,441,232</u>	<u>3,468,760</u>	<u>4,298,322</u>	<u>4,343,545</u>	<u>4,684,111</u>	<u>5,931,380</u>
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund		239,302	29,108	11,469	(3,716)	544,886	(485,672)	1,854,173	192,564	142,642
Debt service fund				418	869	971	520	26,102	31,251	5,149
Assigned, reported in:										
Capital projects fund		480,176	151,649	8,036		272,500				
Reserved	263,425									
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	1,057,760									
Debt service fund										
Total all other governmental funds	<u>1,321,185</u>	<u>719,478</u>	<u>180,757</u>	<u>19,923</u>	<u>(2,847)</u>	<u>818,357</u>	<u>(485,152)</u>	<u>1,880,275</u>	<u>223,815</u>	<u>147,791</u>
Total Fund Balances	<u>\$ 4,696,697</u>	<u>\$ 3,843,424</u>	<u>\$ 4,118,061</u>	<u>\$ 4,446,176</u>	<u>\$ 3,438,385</u>	<u>\$ 4,287,117</u>	<u>\$ 3,813,170</u>	<u>\$ 6,223,820</u>	<u>\$ 4,907,926</u>	<u>\$ 6,079,171</u>

Source: District records

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	44,798,023	\$ 46,524,374	\$ 47,407,281	\$ 48,318,962	\$ 49,202,754	\$ 50,616,351	\$ 51,926,950	\$ 52,827,642	\$ 53,958,048	\$ 55,306,997
Tuition Charges	285,885	290,224	381,060	273,565	379,708	345,984				
Interest Earnings	75,224	35,101	19,488	24,853	12,573	12,684				
Miscellaneous	186,064	222,834	233,786	175,503	209,914	267,794	1,169,933	1,160,817	1,197,361	1,370,715
State Sources	5724528	4,735,544	6,182,621	7,898,059	7,408,709	6,809,259	7,367,594	8,830,390	10,380,557	12,024,517
Federal Sources	1,375,871	916,283	891,869	856,961	732,776	759,805	820,747	892,991	890,525	928,610
Total Revenues	52,445,595	52,724,360	55,116,105	57,547,903	57,946,434	58,811,877	61,285,224	63,711,840	66,426,491	69,630,839
Expenditures										
Instruction										
Regular Instruction	17,411,529	18,239,872	18,479,017	18,247,034	19,240,020	19,926,862	27,563,772	29,024,367	30,274,458	32,157,939
Special Education Instruction	2,199,037	2,281,195	2,281,264	2,187,182	2,241,351	2,794,832	6,999,967	7,528,240	7,914,188	6,780,956
Other Instruction							214,899	274,143	366,709	383,047
School Sponsored Activities and Athletics	1,850,191	1,831,959	1,834,887	1,971,572	2,052,440	1,980,532	2,713,609	2,851,148	3,144,961	3,083,755
Support Services										
Tuition	2,350,378	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032				
Student and Inst. Related Services	5,631,682	5,546,891	5,861,341	5,933,221	6,252,773	6,096,964	7,841,390	7,929,546	8,226,288	8,214,741
School Administration Services	2,492,507	2,548,102	2,674,623	2,695,827	2,550,169	2,642,592	3,825,645	4,002,277	3,849,880	4,245,254
General Administration Services	1,808,065	1,655,897	1,498,256	1,514,279	1,833,043	1,587,750	1,272,702	1,122,811	1,366,951	1,178,650
Business and Other Support Services							914,227	878,093	924,383	1,023,959
Plant Operations And Maintenance	4,056,549	3,687,409	3,658,417	3,714,825	4,325,075	4,176,152	4,833,781	5,251,786	5,163,571	5,641,330
Pupil Transportation	1,675,099	1,538,055	1,579,595	1,631,308	1,597,668	1,587,075	1,602,455	1,697,256	1,723,740	2,010,397
Other Support Services										
Unallocated Employee Benefits	10,443,064	10,380,274	10,684,269	12,158,179	12,056,282	10,925,005				
Transfer of Funds to Charter Schools	71,929	53,528	61,740	55,520	50,953	18,339				
Capital Outlay	3,251,437	1,113,104	959,117	1,202,645	600,762	190,616	1,258,138	10,544,861	2,332,190	965,238
Debt Service										
Principal	1,045,000	1,085,000	1,330,000	1,400,000	1,465,000	1,540,000	1,615,000	1,795,560	1,810,396	2,220,985
Interest and Other Charges	855,291	920,109	840,388	777,369	711,288	642,297	569,535	607,912	711,248	537,006
Total Expenditures	55,141,758	53,577,997	54,846,424	57,219,788	58,931,004	58,448,048	61,225,120	73,508,000	67,808,963	68,443,257
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(2,696,163)	(853,637)	269,681	328,115	(984,570)	363,829	60,104	(9,796,160)	(1,382,472)	1,187,582
Other Financing Sources (Uses)										
Proceeds from Borrowing		2,290,000						11,707,000		
Capital Leases (Non-Budgeted)	972,493							412,490		
Proceeds from Refunding								7,862,649		
Payments to Escrow Agent								(7,747,877)		
N.J. Economic Development Authority Grants	1,526,755				(23,221)	484,902				
Transfers in	263,004	155,158	275,362	280,662	279,371	336,720		500,345	102,374	10,353
Transfers Out	(326,883)	(154,546)	(274,998)	(280,662)	(279,371)	(336,720)	(49,148)	(527,797)	(35,796)	(26,690)
Total Other Financing Sources (Uses)	2,435,369	2,290,612	364	-	(23,221)	484,902	(49,148)	12,206,810	66,578	(16,337)
Net Change in Fund Balances	\$ (260,794)	\$ 1,436,975	\$ 270,045	\$ 328,115	\$ (1,007,791)	\$ 848,731	\$ 10,956	\$ 2,410,650	\$ (1,315,894)	\$ 1,171,245
Debt Service as a Percentage of										
Noncapital Expenditures	3.66%	3.82%	4.03%	3.89%	3.73%	3.75%	3.64%	3.82%	3.85%	4.09%

* Noncapital expenditures are total expenditures less capital outlay.

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Summer School</u>	<u>Tuition</u>	<u>Interest</u>	<u>Gate Receipts</u>	<u>Rentals</u>	<u>Athletics and Activities Fees</u>	<u>Laptop Maintenance and Rentals</u>	<u>Sale of Assets</u>	<u>Insurance Refund</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	\$ 36,772	\$ 249,113	\$ 71,542	\$ 10,919		\$ 71,789				\$ 28,418	\$ 468,553
2011	13,795	276,429	33,368	11,324	\$ 10,906	113,696				36,042	495,560
2012	87,504	291,956	19,099	15,695		115,502		\$ 17,000		65,262	612,018
2013	70,975	202,591	24,436	14,033	204	60,838				18,932	392,009
2014	64,137	315,572	12,122	14,223	5,075	38,458				85,496	535,083
2015	9,913	336,071	12,163	17,680	11,105	90,275				4	477,211
2016	5,225	431,290	27,351	18,955	24,381	158,609	\$ 175,051	\$ 233,982		50,107	1,124,951
2017	6,650	529,884	26,575	25,890	15,828	138,238	267,986			32,005	1,043,056
2018	6,413	608,661	55,529	23,629	28,392	59,303	71,898	169,053		70,732	1,093,610
2019	2,612	702,675	165,758	21,972	11,642	92,839	163,487			126,963	1,287,948

Source: School District's Records

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

Closter Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 23,558,800	\$ 1,786,602,200	\$ 5,503,300	\$ 224,680,900	\$ 15,782,200	\$ 959,600	\$ 2,057,087,000	\$ 6,112,619	\$ 2,063,199,619	\$ 2,225,664,998	\$ 0.506
2011	23,262,400	1,791,836,000	5,503,300	223,086,500	15,045,700	959,600	2,059,693,500	5,669,360	2,065,362,860	2,161,138,793	0.514
2012	24,006,400	1,784,300,900	5,503,300	220,571,000	15,045,700	959,600	2,050,386,900	5,642,577	2,056,029,477	2,094,167,079	0.522
2013	20,163,200	1,796,514,400	5,503,300	218,075,800	15,045,700	959,600	2,056,262,000	100,000	2,056,362,000	2,035,360,558	0.520
2014	21,831,400	1,799,979,800	4,572,100	219,295,200	19,545,700	959,600	2,066,183,800	100,000	2,066,283,800	2,030,585,074	0.520
2015	20,358,100	1,805,323,200	4,572,100	216,624,800	18,964,000	959,600	2,066,801,800	100,000	2,066,901,800	2,099,516,054	0.539
2016	19,884,100	1,816,990,700	4,642,700	216,412,100	18,964,000	959,600	2,077,853,200	100,000	2,077,953,200	2,129,915,670	0.553
2017	19,611,500	1,825,939,100	4,638,400	215,541,300	19,914,000	959,600	2,086,603,900	100,000	2,086,703,900	2,140,987,596	0.565
2018	18,196,800	1,884,747,100	5,062,100	237,104,000	21,569,100		2,166,679,100	100,000	2,166,779,100	2,168,261,971	0.544
2019	18,903,200	1,923,578,700	5,457,800	256,031,300	22,812,900		2,226,783,900	100,000	2,226,883,900	2,226,975,293	0.528

Demarest Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 24,674,000	\$ 1,155,919,300		\$ 36,920,200		\$ 1,350,000	\$ 1,218,863,500	\$ 761,402	\$ 1,219,624,902	\$ 1,475,586,410	\$ 0.561
2011	19,407,900	1,175,319,700		36,920,200		1,350,000	1,232,997,800	589,741	1,233,587,541	1,411,968,299	0.572
2012	18,514,400	1,183,373,100		36,920,200		1,350,000	1,240,157,700	632,812	1,240,790,512	1,396,024,774	0.555
2013	15,219,900	1,199,148,900		36,920,200		1,350,000	1,252,639,000	91,530	1,252,730,530	1,387,669,514	0.550
2014	14,578,200	1,213,910,800		36,920,200		1,350,000	1,266,759,200	88,910	1,266,848,110	1,425,536,144	0.551
2015	12,778,100	1,225,059,400		36,920,200		1,350,000	1,276,107,700	85,020	1,276,192,720	1,501,723,835	0.567
2016	12,763,100	1,240,829,500		36,920,200		1,350,000	1,291,862,800	85,020	1,291,947,820	1,516,882,756	0.575
2017	10,281,800	1,272,223,900		36,920,200		1,350,000	1,320,775,900	83,130	1,320,859,030	1,589,584,628	0.572
2018	10,281,800	1,284,770,200		36,920,200		1,350,000	1,333,322,200	83,130	1,333,405,330	1,602,178,919	0.602
2019	10,281,800	1,295,887,500		36,920,200		1,350,000	1,344,439,500	83,130	1,344,522,630	1,622,129,602	0.648

^a Tax rates are per \$100

Source: County Abstract of Ratables

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

Harrington Park Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 16,047,300	\$ 1,034,946,900		\$ 37,240,800			\$ 1,088,235,000	\$ 1,223,350	\$ 1,089,458,350	\$ 1,113,572,454	\$ 0.427
2011	15,178,500	1,025,271,300		38,817,600			1,079,267,400	877,805	1,080,145,205	1,036,552,493	0.449
2012	14,736,500	1,015,222,100		32,442,300			1,062,400,900	820,664	1,063,221,564	983,913,449	0.458
2013	12,498,400	856,365,100		28,418,700			897,282,200		897,282,200	918,267,901	0.546
2014	12,498,400	855,446,400		28,221,900			896,166,700		896,166,700	940,449,312	0.576
2015	12,498,400	854,583,200		28,151,900			895,233,500		895,233,500	957,430,915	0.587
2016	12,498,400	856,178,500		27,192,100			895,869,000		895,869,000	977,108,511	0.591
2017	12,498,400	856,483,100		27,192,100			896,173,600		896,173,600	995,996,199	0.610
2018	12,498,400	856,504,400		27,192,100			896,194,900		896,194,900	993,808,185	0.610
2019	12,470,900	860,351,100		26,732,100			899,554,100		899,554,100	997,967,848	0.618

Haworth Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 14,785,400	\$ 681,880,900		\$ 98,938,300			\$ 795,604,600	\$ 810,227	\$ 796,414,827	\$ 1,054,551,126	\$ 0.518
2011	14,497,100	683,091,200		98,935,300			796,523,600	534,748	797,058,348	1,047,745,035	0.573
2012	14,802,000	683,084,200		97,551,200			795,437,400	507,416	795,944,816	1,036,587,284	0.617
2013	15,354,600	681,765,000		97,638,300			794,757,900	577,488	795,335,388	988,226,052	0.664
2014	15,027,000	683,331,400		94,794,900			793,153,300	571,705	793,725,005	927,314,313	0.691
2015	13,886,600	684,502,500		92,027,800			790,416,900	572,378	790,989,278	947,007,450	0.715
2016	12,288,800	688,316,600		91,150,400			791,755,800	581,033	792,336,833	938,535,971	0.721
2017	12,100,500	691,773,000		91,150,400			795,023,900	613,996	795,637,896	918,832,229	0.693
2018	12,041,100	699,524,400		91,125,400			802,690,900	584,214	803,275,114	937,029,912	0.674
2019	11,304,000	703,395,900		91,125,400			805,825,300	589,249	806,414,549	935,150,231	0.682

^a Tax rates are per \$100

Source: County Abstract of Ratables

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

Northvale Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 14,271,786	\$ 708,040,500		\$ 77,577,000	\$ 203,705,700		\$ 1,003,594,986	\$ 1,505,596	\$ 1,005,100,582	\$ 1,066,218,181	\$ 0.454
2011	10,940,800	575,722,200		75,443,800	187,824,400		849,931,200	1,104,701	851,035,901	940,665,793	0.582
2012	10,447,800	577,248,700		76,057,200	188,365,500		852,119,200	908,803	853,028,003	974,575,740	0.594
2013	10,277,900	576,719,800		77,344,700	187,827,700		852,170,100		852,170,100	929,610,243	0.600
2014	10,277,900	575,935,300		77,344,700	187,827,700		851,385,600	908,803	852,294,403	923,036,029	0.634
2015	10,049,700	576,016,200		81,420,700	186,088,200		853,574,800	908,803	854,483,603	913,012,611	0.639
2016	10,641,100	576,988,300		81,392,200	185,749,300		854,770,900	908,803	855,679,703	947,649,798	0.636
2017	9,122,000	579,726,300		81,214,600	185,541,400		855,604,300	908,803	856,513,103	937,826,702	0.657
2018	9,122,000	581,350,700		81,256,200	185,541,400		857,270,300	908,803	858,179,103	981,568,465	0.687
2019	11,071,200	590,031,600		81,313,300	183,330,100		865,746,200	908,803	866,655,003	1,007,436,738	0.702

Norwood Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 10,724,900	\$ 1,280,449,400	\$ 44,300	\$ 72,587,800	\$ 100,927,500	\$ 17,510,200	\$ 1,482,244,100	\$ 1,664,055	\$ 1,483,908,155	\$ 1,507,082,584	
2011	6,542,400	987,650,800	44,300	70,677,800	98,608,900	17,529,800	1,181,054,000	1,288,727	1,182,342,727	1,281,719,006	\$ 0.585
2012	7,705,900	986,809,800	44,300	70,643,900	97,495,300	16,500,000	1,179,199,200	1,103,992	1,180,303,192	1,327,086,242	0.568
2013	7,230,100	988,084,400	44,300	70,643,900	97,495,300	16,500,000	1,179,998,000		1,179,998,000	1,273,704,913	0.572
2014	7,059,100	987,504,100	44,300	70,643,900	97,495,300	16,500,000	1,179,246,700		1,179,246,700	1,225,344,833	0.556
2015	6,850,100	988,459,100	44,300	71,289,200	97,395,300	16,500,000	1,180,538,000		1,180,538,000	1,240,810,250	0.567
2016	11,878,400	990,623,100	44,300	69,189,200	97,173,900	16,500,000	1,185,408,900		1,185,408,900	1,291,038,163	0.604
2017	8,763,400	996,442,100	44,300	65,125,900	97,167,600	16,500,000	1,184,043,300		1,184,043,300	1,298,979,351	0.611
2018	8,213,100	999,496,800	44,300	63,525,800	96,999,600	16,500,000	1,184,779,600		1,184,779,600	1,274,815,010	0.617
2019	8,991,100	1,000,494,000	44,300	82,870,900	100,799,100	16,500,000	1,209,699,400		1,209,699,400	1,305,700,439	0.621

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Old Tappan Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 33,777,900	\$1,207,995,400	\$ 318,000	\$ 61,568,200		\$ 331,800	\$1,303,991,300	\$ 1,290,151	\$1,305,281,451	\$ 1,914,086,815	\$ 0.595
2011	48,784,000	1,595,217,300	361,400	85,162,000		698,100	1,730,222,800	1,468,244	1,731,691,044	1,793,532,441	0.467
2012	47,906,700	1,597,442,700	373,800	81,586,500		698,100	1,728,007,800	1,361,524	1,729,369,324	1,776,965,605	0.501
2013	47,525,500	1,600,828,900	373,800	81,308,800		698,100	1,730,735,100	1,299,066	1,732,034,166	1,783,242,734	0.528
2014	43,661,000	1,594,422,600	373,800	80,435,200		698,100	1,719,590,700	1,156,788	1,720,747,488	1,708,954,754	0.557
2015	43,312,500	1,599,653,900	373,800	80,399,200		698,100	1,724,437,500	1,190,284	1,725,627,784	1,733,909,301	0.570
2016	40,450,900	1,606,134,700	373,800	80,545,500		2,817,100	1,730,322,000	1,149,128	1,731,471,128	1,721,634,054	0.570
2017	39,118,600	1,609,983,000	373,800	80,256,200		2,817,100	1,732,548,700	1,117,527	1,733,666,227	1,765,955,122	0.589
2018	37,566,000	1,619,099,500	373,800	80,256,200		2,817,100	1,740,112,600	1,117,699	1,741,230,299	1,769,692,974	0.617
2019	37,375,800	1,612,161,900	373,800	80,256,200		2,817,100	1,732,984,800	1,128,230	1,734,113,030	1,748,800,451	0.627

^a Tax rates are per \$100

Source: County Abstract of Ratables

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES**

LAST TEN YEARS

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Closter Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 0.506	\$ 0.495	\$ 0.800	\$ 0.212	\$ 2.013
2011	0.514	0.503	0.811	0.218	2.046
2012	0.522	0.517	0.821	0.224	2.084
2013	0.520	0.521	0.834	0.227	2.102
2014	0.520	0.535	0.844	0.230	2.129
2015	0.539	0.547	0.860	0.244	2.190
2016	0.553	0.559	0.875	0.252	2.239
2017	0.565	0.569	0.890	0.258	2.282
2018	0.544	0.556	0.881	0.245	2.226
2019	0.528	0.555	0.889	0.245	2.217

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Demarest Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 0.561	\$ 0.461	\$ 0.960	\$ 0.238	\$ 2.220
2011	0.572	0.478	0.978	0.238	2.266
2012	0.555	0.511	0.989	0.240	2.295
2013	0.550	0.543	1.000	0.255	2.348
2014	0.551	0.551	0.995	0.263	2.360
2015	0.567	0.562	1.000	0.283	2.412
2016	0.575	0.565	1.016	0.289	2.445
2017	0.572	0.566	1.044	0.302	2.484
2018	0.602	0.562	1.087	0.294	2.545
2019	0.648	0.573	1.110	0.295	2.626

Source: Municipal Tax Collector

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Harrington Park Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 0.427	\$ 0.420	\$ 0.930	\$ 0.201	\$ 1.978
2011	0.449	0.437	0.937	0.198	2.021
2012	0.458	0.453	0.969	0.201	2.081
2013	0.546	0.544	1.172	0.233	2.495
2014	0.576	0.554	1.218	0.245	2.593
2015	0.587	0.555	1.255	0.257	2.654
2016	0.591	0.568	1.295	0.268	2.722
2017	0.610	0.582	1.330	0.280	2.802
2018	0.610	0.595	1.355	0.272	2.832
2019	0.618	0.608	1.389	0.270	2.885

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Haworth Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 0.518	\$ 0.687	\$ 0.981	\$ 0.261	\$ 2.447
2011	0.573	0.692	1.013	0.274	2.552
2012	0.617	0.703	1.032	0.288	2.640
2013	0.664	0.697	1.052	0.286	2.699
2014	0.691	0.714	1.074	0.273	2.752
2015	0.715	0.729	1.063	0.288	2.795
2016	0.721	0.756	1.149	0.284	2.910
2017	0.693	0.772	1.128	0.290	2.883
2018	0.674	0.771	1.136	0.286	2.867
2019	0.682	0.782	1.164	0.283	2.911

Source: Municipal Tax Collector

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Northvale Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 0.454	\$ 0.513	\$ 0.802	\$ 0.201	\$ 1.970
2011	0.582	0.665	0.968	0.229	2.444
2012	0.594	0.662	0.982	0.251	2.489
2013	0.600	0.663	1.001	0.251	2.515
2014	0.634	0.663	1.023	0.253	2.573
2015	0.639	0.696	1.041	0.257	2.633
2016	0.636	0.709	1.059	0.272	2.676
2017	0.657	0.722	1.083	0.274	2.736
2018	0.687	0.765	1.108	0.280	2.840
2019	0.702	0.811	1.129	0.283	2.925

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Norwood Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 1.062 (A)	\$ 0.463		\$ 0.200	\$ 1.725
2011	0.585	0.615	0.709	0.224	2.133
2012	0.568	0.639	0.766	0.245	2.218
2013	0.572	0.650	0.779	0.248	2.249
2014	0.556	0.662	0.794	0.243	2.255
2015	0.567	0.671	0.790	0.253	2.281
2016	0.604	0.682	0.820	0.268	2.374
2017	0.611	0.690	0.855	0.274	2.430
2018	0.617	0.708	0.854	0.263	2.442
2019	0.621	0.707	0.854	0.262	2.444

Source: Municipal Tax Collector

(A) Includes local school tax rate

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

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Old Tappan Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2010	\$ 0.595	\$ 0.336	\$ 0.952	\$ 0.288	\$ 2.171
2011	0.467	0.267	0.732	0.216	1.682
2012	0.501	0.277	0.747	0.226	1.751
2013	0.528	0.284	0.765	0.237	1.814
2014	0.557	0.292	0.790	0.232	1.871
2015	0.570	0.305	0.805	0.242	1.922
2016	0.570	0.316	0.822	0.245	1.953
2017	0.589	0.325	0.835	0.256	2.005
2018	0.617	0.332	0.823	0.249	2.021
2019	0.627	0.340	0.850	0.246	2.063

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Closter Borough			
	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Closter Marketplace (EBA) LLC	\$ 56,574,900	2.54%		
Closter Grocery	10,258,500	0.46%	\$ 8,141,300	0.39%
Capital Young Property LLC	8,272,500	0.37%		
Closter Golf	7,476,200	0.34%	7,535,000	0.37%
Heidenberg Closter Assoc.	7,154,200	0.32%	7,343,600	0.36%
Suez C/O Altus Group	5,891,200	0.26%		
DWL Monmouth	4,870,700	0.22%		
Fred Reuten, Inc.	4,880,200	0.22%	4,200,000	0.20%
50 Railroad LLC	4,542,400	0.20%		
Reuten Associates	4,384,300	0.20%	4,009,000	0.19%
Irani-Aspi-Closter Plaza Met.			31,500,000	1.53%
United Water New Jersey			9,337,500	0.45%
Verizon			5,610,344	0.27%
Weyerhaeuser			5,424,000	0.26%
Closter SHP/Stop & Shop			4,553,500	0.22%
Total	\$ 114,305,100	5.13%	\$ 87,654,244	4.24%

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Demarest Borough			
	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Alpine Country Club	\$ 32,323,800	2.40%		
Lavie Management Company, LLC	4,232,600	0.31%		
Individual Taxpayer #1	4,120,000	0.31%	NOT AVAILABLE	
Individual Taxpayer #2	3,768,400	0.28%		
Individual Taxpayer #3	3,700,000	0.28%		
Individual Taxpayer #4	3,589,000	0.27%		
Individual Taxpayer #5	3,532,000	0.26%		
Individual Taxpayer #6	3,330,600	0.25%		
Individual Taxpayer #7	3,177,000	0.24%		
Individual Taxpayer #9	3,123,900	0.23%		
Total	\$ 64,897,300	4.83%	\$ -	0.00%

Source: Municipal Tax Assessor

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

Harrington Park Borough

Fiscal Year Ended June 30,	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water Resources	\$ 20,784,500	2.31%		
Quantmeyer	3,445,900	0.38%		
Rockland Electric	2,681,800	0.30%		
HGK Realty	1,440,000	0.16%	NOT AVAILABLE	
Individual Taxpayer #1	1,389,800	0.15%		
Individual Taxpayer #2	1,379,900	0.15%		
Individual Taxpayer #3	1,203,000	0.13%		
Individual Taxpayer #4	1,182,300	0.13%		
Individual Taxpayer #5	1,159,900	0.13%		
Individual Taxpayer #6	1,155,200	0.13%		
Total	\$ 35,822,300	3.98%	\$ -	0.00%

Source: Municipal Tax Assessor

Haworth Borough

Fiscal Year Ended June 30,	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 51,789,000	6.42%		
Haworth Country Club	11,502,100	1.43%		
White Beeches Golf Club	10,479,100	1.30%	NOT AVAILABLE	
Haworth Country Club LLC	8,497,900	1.05%		
White Beeches Realty Corp.	5,462,100	0.68%		
Individual Taxpayer #1	1,651,200	0.20%		
Individual Taxpayer #2	1,638,500	0.20%		
Individual Taxpayer #3	1,553,800	0.19%		
Individual Taxpayer #4	1,534,600	0.19%		
Individual Taxpayer #5	1,507,500	0.19%		
Total	\$ 95,615,800	11.86%	\$ -	0.00%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Northvale Borough			
	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Maxim Enterprises, LLC	\$ 26,729,600	3.08%		
Vale 251 LLC	12,400,000	1.43%		
Northvale Shopping Center Assoc.	9,504,700	1.10%	10,521,600	1.05%
GEA Mechanical Equipment	7,268,700	0.84%		
S & R Costa Realty LP	6,252,400	0.72%		
Cho Dae Presbyterian Church	6,120,200	0.71%		
Northvale Holding Co. LLC	6,094,000	0.70%	6,875,600	0.68%
Trasco Realty LLC	5,492,300	0.63%		
Klaus Rexroth Incorporated	5,466,900	0.63%		
Northvale Technical Center	5,289,200	0.61%		
273 Livingston St Assoc			33,889,600	3.37%
Salvatore & Roselle Costa and SC Construction			13,826,500	1.38%
MEM Company			13,380,200	1.31%
Northvale 1197 & 2005 Assoc			11,536,000	1.16%
Centrico			7,651,300	0.77%
RIO Vista Homes @ Northvale LLC			8,100,840	0.81%
Matthew Realty LLC			6,442,300	0.64%
Northvale Tire Tech			6,469,800	0.64%
Total	\$ 90,618,000	10.46%	\$ 118,693,740	11.81%

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Norwood Borough			
	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
CSH Norwood LLC	\$ 22,185,100	1.87%		
Buckingham at Norwood	20,700,000	1.75%	\$ 26,662,000	1.80%
Norwood Associates II	16,500,000	1.39%	11,710,200	0.79%
335 Chestnut	11,079,300	0.94%		
Norwood Project, LLC	6,350,900	0.54%	6,228,300	0.42%
355 Chestnut Assoc.	5,499,600	0.46%	5,660,300	0.38%
Levingal Realty	4,199,900	0.35%		
Norvest LLC	4,093,200	0.35%		
325 Livingston St Assoc		0.00%		
Norwood Self Storage C/O Yelland Prop.	3,650,900	0.31%		
Ghula, Robert	3,602,200	0.30%		
10 Maple St, LLC				
Alfred Sanzari Enterprises			7,599,600	0.51%
Livingston 535			6,460,700	0.44%
Individual Taxpayer #1			4,232,900	0.29%
Alsan Realty Company, L.P.			3,998,500	0.27%
Mitsui Foods Inc			3,763,900	0.25%
Individual Taxpayer #2			2,824,900	0.19%
Total	\$ 97,861,100	6.39%	\$ 79,141,300	5.33%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Old Tappan Borough			
	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 26,460,000	1.53%	\$ 19,824,000	1.52%
Prentice Hall	19,000,000	1.10%	13,882,900	1.06%
A&R, A LTD	9,869,000	0.57%	14,000,000	1.07%
A&R, A LTD	7,227,800	0.42%		
Sunrise Old Tappan Assisted Living	10,860,800	0.63%	8,326,000	0.64%
Individual Taxpayer #1	3,924,000	0.23%	4,550,300	0.35%
Individual Taxpayer #2	3,400,000	0.20%	2,626,400	0.20%
Individual Taxpayer #3	2,960,000	0.17%	2,241,000	0.17%
Individual Taxpayer #4	2,889,900	0.17%	2,171,000	0.17%
MCH-OT Realty LLC	2,809,800	0.16%		
Rockland Electric			2,809,000	0.22%
Individual Taxpayer #5			2,062,100	0.16%
Total	\$ 89,401,300	5.16%	\$ 72,492,700	5.56%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 44,798,023	\$ 44,798,023	100.00%	
2011	46,524,374	46,524,374	100.00%	
2012	47,407,281	47,407,281	100.00%	
2013	48,318,962	48,318,962	100.00%	
2014	49,202,754	49,202,754	100.00%	
2015	50,616,351	50,616,351	100.00%	
2016	51,926,950	51,926,950	100.00%	
2017	52,827,642	52,827,642	100.00%	
2018	53,958,048	53,958,048	100.00%	
2019	55,306,997	55,306,997	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2010	\$ 19,910,000	\$ 945,621	\$ 20,855,621	37,513	\$ 556
2011	18,825,000	673,158	19,498,158	37,794	516
2012	17,495,000	478,685	17,973,685	37,943	474
2013	16,095,000	199,050	16,294,050	38,130	427
2014	14,630,000		14,630,000	38,169	383
2015	13,090,000		13,090,000	38,310	342
2016	11,475,000		11,475,000	38,341	299
2017	21,167,000	316,930	21,483,930	38,448	559
2018	19,427,000	246,534	19,673,534	38,407	512
2019	17,282,000	170,549	17,452,549	38,407 A	454

A - Estimate

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2010	\$ 19,910,000		\$ 19,910,000	0.22%	\$ 531
2011	18,825,000		18,825,000	0.21%	498
2012	17,495,000		17,495,000	0.20%	461
2013	16,095,000		16,095,000	0.18%	422
2014	14,630,000		14,630,000	0.17%	383
2015	13,090,000		13,090,000	0.15%	342
2016	11,475,000	\$ 520	11,474,480	0.13%	299
2017	21,167,000	26,102	21,140,898	0.24%	550
2018	19,427,000	31,251	19,395,749	0.22%	505
2019	17,282,000	5,149	17,276,851	0.19%	450

Source: District records

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local School Purposes	\$ 11,850,000	\$ 11,850,000	
Regional School Purposes	18,712,436	18,712,436	
Municipal/County General Obligations	<u>55,805,650</u>	<u>855,983</u>	<u>\$ 54,949,667</u>
	<u>\$ 86,368,086</u>	<u>\$ 31,418,419</u>	54,949,667
Bergen County			
County of Bergen (A)			78,714,504
Bergen County Utilities Authority (B)			<u>9,959,624</u>
			<u>88,674,128</u>
 Total Direct and Overlapping Debt			 <u>\$ 143,623,795</u>

Source:

(1) Seven (7) Municipalities 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the seven (7) municipalities by dividing the municipalities 2018 equalized value by the total 2018 equalized value for Bergen County relating to the seven (7) municipalities.

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 308,633,794	\$ 305,740,435	\$ 295,936,990	\$ 286,919,769	\$ 279,854,050	\$ 278,038,974	\$ 280,932,046	\$ 283,847,535	\$ 286,910,594	\$ 290,107,166
Total Net Debt Applicable to Limit	<u>19,911,083</u>	<u>18,825,000</u>	<u>17,495,000</u>	<u>16,095,000</u>	<u>14,630,000</u>	<u>13,090,000</u>	<u>23,182,485</u>	<u>21,167,485</u>	<u>19,427,485</u>	<u>17,282,485</u>
Legal Debt Margin	<u>\$ 288,722,711</u>	<u>\$ 286,915,435</u>	<u>\$ 278,441,990</u>	<u>\$ 270,824,769</u>	<u>\$ 265,224,050</u>	<u>\$ 264,948,974</u>	<u>\$ 257,749,561</u>	<u>\$ 262,680,050</u>	<u>\$ 267,483,109</u>	<u>\$ 272,824,681</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.45%	6.16%	5.91%	5.61%	5.23%	4.71%	8.25%	7.46%	6.77%	5.96%

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis		
	2018	\$ 9,775,584,181
	2017	9,661,188,504
	2016	<u>9,573,943,876</u>
		<u>\$29,010,716,561</u>
	3 Year Average	<u>\$ 9,670,238,854</u>
3% of Avg. Equalized Valuation		\$ 290,107,166
Less Net Debt		<u>17,282,485</u>
Remaining Borrowing Power		<u>\$ 272,824,681</u>

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

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

Closter Borough			
<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	4.5%	\$ 65,992	8,425
2011	5.4%	68,865	8,477
2012	4.5%	71,789	8,548
2013	4.5%	71,100	8,584
2014	4.5%	73,637	8,593
2015	3.7%	76,821	8,597
2016	3.2%	77,901	8,610
2017	3.0%	81,203	8,629
2018	2.9%	N/A	8,582
2019	N/A	N/A	8,582 (A)

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

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

Demarest Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	8.6%	\$ 65,992	4,919
2011	5.4%	68,865	4,960
2012	8.6%	71,789	4,965
2013	5.8%	71,100	4,988
2014	4.1%	73,637	4,981
2015	3.4%	76,821	4,990
2016	2.9%	77,901	4,948
2017	2.6%	81,203	4,956
2018	2.3%	N/A	4,933
2019	N/A	N/A	4,933 (A)

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

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

Harrington Park Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	5.8%	\$ 65,992	4,672
2011	8.7%	68,865	4,708
2012	5.8%	71,789	4,721
2013	8.3%	71,100	4,737
2014	4.8%	73,637	4,747
2015	3.7%	76,821	4,765
2016	3.4%	77,901	4,753
2017	3.2%	81,203	4,769
2018	2.9%	N/A	4,762
2019	N/A	N/A	4,762 (A)

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

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

Haworth Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	8.0%	\$ 65,992	3,380
2011	7.0%	68,865	3,406
2012	8.0%	71,789	3,404
2013	11.3%	71,100	3,419
2014	4.0%	73,637	3,418
2015	3.3%	76,821	3,421
2016	3.1%	77,901	3,419
2017	2.7%	81,203	3,436
2018	2.4%	N/A	3,430 (A)
2019	N/A	N/A	3,430 (A)

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

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

Northvale Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	5.4%	\$ 65,992	4,634
2011	4.7%	68,865	4,667
2012	5.4%	71,789	4,684
2013	7.1%	71,100	4,731
2014	4.3%	73,637	4,732
2015	4.2%	76,821	4,782
2016	3.6%	77,901	4,871
2017	3.2%	81,203	4,898
2018	2.8%	N/A	4,923
2019	N/A	N/A	4,923 (A)

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

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

Norwood Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	9.0%	\$ 65,992	5,738
2011	6.2%	68,865	5,765
2012	9.0%	71,789	5,787
2013	7.2%	71,100	5,795
2014	5.2%	73,637	5,802
2015	4.0%	76,821	5,820
2016	3.4%	77,901	5,810
2017	3.6%	81,203	5,820
2018	3.0%	N/A	5,831
2019	N/A	N/A	5,831 (A)

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

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

Old Tappan Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2010	6.7%	\$ 65,992	5,745
2011	7.2%	68,865	5,811
2012	6.7%	71,789	5,834
2013	6.8%	71,100	5,876
2014	4.1%	73,637	5,896
2015	3.6%	76,821	5,935
2016	3.1%	77,901	5,930
2017	3.0%	81,203	5,940
2018	2.8%	N/A	5,946
2019	N/A	N/A	5,946 (A)

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	189	186	186	185	185	185	190.0	190.0	190.0	180.0
Special Education	27	26	27	26	26	26	31.0	28.0	28.0	26.0
Support Services:										
Student & Instruction-Related Services	23	22	22	22	22	22	22.0	22.0	22.0	23.0
School Administration Services	12	12	12	12	12	12	12.0	9.0	7.0	8.0
General Administration Services	6	5	5	5	5	5	5.4	4.0	4.0	5.0
Central Services/Administrative	21	21	21	21	21	21		22.0	22.0	25.0
Plant Operations and Maintenance	30	29	29	29	29	29	29.0	31.0	31.0	31.0
Pupil Transportation	2	2	2	2	2	2	2.0	2.0	2.0	2.0
Child Care	1	1	1	1	1	1		2.0	2.0	2.0
Regional Special Education	64	64	64	64	64	64		63.0	63.0	67.0
Regional Transportation	2	2	2	2	2	2	21.0	2.0	2.0	2.0
Total	<u>377</u>	<u>370</u>	<u>371</u>	<u>369</u>	<u>369</u>	<u>369</u>	<u>312.4</u>	<u>375.0</u>	<u>373.0</u>	<u>371.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
2010	2,591	\$ 49,990,030	\$ 19,294	5.84%	220	1:11.8		2,553	2,455	-0.04%	96.16%
2011	2,535	50,459,784	19,905	3.17%	220	1:11.4		2,559	2,462	0.24%	96.21%
2012	2,684	51,716,920	19,269	-3.20%	221	1:12.1		2,483	2,391	-2.97%	96.29%
2013	2,529	53,839,775	21,289	10.49%	264	9.6		2,481	2,393	-0.08%	96.45%
2014	2,586	56,153,954	21,715	2.00%	282	9.2		2,575	2,493	3.79%	96.82%
2015	2,291	56,075,135	24,476	12.72%	282	8.1		2,334	2,242	-9.36%	96.06%
2016	2,504	57,782,447	23,076	-5.72%	221	10.4		2,285	2,204	-2.10%	96.43%
2017	2,462	60,559,667	24,598	6.59%	218	11.3		2,448	2,347	7.13%	95.87%
2018	2,467	62,955,129	25,519	3.74%	218	11.3		2,255	2,170	-7.88%	96.23%
2019	2,390	64,720,028	27,080	6.12%	206	10.5		2,171	2,088	-3.73%	96.18%

Sources: District records

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Building										
<u>Northern Valley Regional High School District</u>										
Demarest High School (1950) (2004)										
Square Feet	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Capacity (students)	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234
Enrollment	1,212	1,158	1,137	1,136	1,070	1,032	1,046	1,018	1,018	1,018
<u>Northern Valley Regional High School District</u>										
Old Tappan High School (1950) (2004)										
Square Feet	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800
Capacity (students)	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349
Enrollment	1,346	1,377	1,346	1,317	1,293	1,259	1,251	1,233	1,244	1,244
Central Administration (1981)										
Square Feet	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Number of Schools at June 30, 2019										
Elementary = 0										
Middle School = 0										
Senior High School = 2										

Source: District Facilities Office

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

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

	<u>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>
<u>School Facilities</u>										
Demarest High School	\$ 212,317	\$ 189,521	\$ 189,426	\$ 217,935	\$ 240,326	\$ 256,987	\$ 236,628	\$ 239,918	\$ 214,056	\$ 202,481
Old Tappan High School	230,183	201,350	171,216	201,104	211,866	273,611	244,544	240,646	160,365	209,488
John J. Haworth Administration Building	<u>12,299</u>	<u>15,755</u>	<u>34,009</u>	<u>10,000</u>	<u>5,767</u>	<u>3,749</u>	<u>6,015</u>	<u>6,016</u>	<u>7,012</u>	<u>4,314</u>
Grand Total	<u>\$ 454,799</u>	<u>\$ 406,626</u>	<u>\$ 394,651</u>	<u>\$ 429,039</u>	<u>\$ 457,959</u>	<u>\$ 534,347</u>	<u>\$ 487,187</u>	<u>\$ 486,580</u>	<u>\$ 381,433</u>	<u>\$ 416,283</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group:		
Multi Peril Package Policy		
Commercial General Liability	\$ 11,000,000	
Employee Dishonesty	1,000,000	\$ 1,000
Business Automobile Liability	11,000,000	1,000
School Leaders Errors & Omissions Liability	11,000,000	15,000
Workers Compensation	2,000,000	
NJ Schools Ins. Group		
Property- Blanket Building and Contents (Insured Value) - Includes Energy Systems	104,820,096	5,000
Firemen's Fund Insurance Company		
Excess Umbrella Liability	50,000,000	
Surety Bonds:		
Board Secretary's Bond	400,000	
Lloyds Syndicates		
Environment Pollution Liability Policy	1,000,000	10,000
Ace American Insurance Company		
International Liability Policy	1,000,000	

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

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

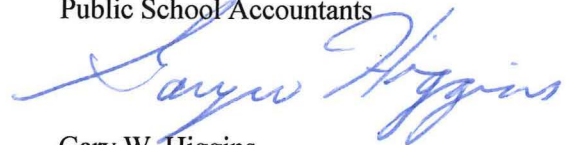
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Northern Valley Regional High School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 18, 2019.

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 18, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Northern Valley Regional High School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Northern Valley Regional High School District's major federal and state programs for the fiscal year ended June 30, 2019. The Northern Valley Regional High School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

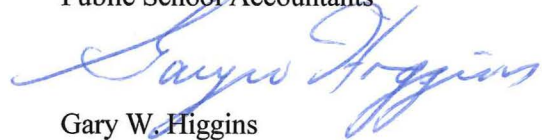
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated November 18, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 18, 2019

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

981

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or Project Number	Grant Period	Award Amount	June 30, 2018			Unearned Rev. Carryover Amount	A/R Carryover Amount	June 30, 2019				Memo GAAP Receivable	
						Accounts Receivable (Restated)	Unearned Revenue (Restated)	Due to Grantor			Cash Received	Budgetary Expenditures	Accounts Receivable	Unearned Revenue		Due to Grantor
U.S. Department of Education Passed-through State Department of Education																
Special Revenue Fund																
ESEA Title III	84.365	S365A170030	ESEA-3710-18	7/1/17-6/30/18	43,744	\$ (33,041)					\$ 33,041					
ESEA Title III	84.365	S365A180030	ESEA-3710-19	7/1/18-6/30/19	37,619						22,148	\$ 37,617	\$ (15,471)	\$ 2	\$ (15,469)	
ESEA Title III Immigrant	84.365	S365A170030	ESEA-3710-18	7/1/17-6/30/18	16,023	(10,658)					10,658					
ESEA Title III Immigrant	84.365	S365A180030	ESEA-3710-19	7/1/18-6/30/19	8,327						6,354	8,327	(1,973)		(1,973)	
Total English Language Acquisition Cluster (Title III)											45,944					
Career Pathways Grant	84.235	N/A	19E00002	3/1/18-2/28/19	99,971	(99,971)	\$ 87,218				92,605	79,852				
Career Pathways Grant	84.235	N/A	20E00007	3/1/19-2/28/20	99,798							1,951	(99,798)	97,847	(1,951)	
Total Career Pathways Grant											81,803					
Advanced Computer Science Competitive Grant	84.368	N/A	19E00140	1/15/19-6/30/20	46,896								(46,896)	46,896		
ESEA Title I	84.010	S010A170030	ESEA-3710-18	7/1/17-6/30/18	141,050	(7,302)	250				7,052					
ESEA Title I	84.010	S010A180030	ESEA-3710-19	7/1/18-6/30/19	142,093						14,099	138,399	(127,994)	\$ 3,694	(124,300)	
ESEA Title II-A	84.367A	S367A170029	ESEA-3710-18	7/1/17-6/30/18	118,113	(10,302)					10,302					
ESEA Title II-A	84.367A	S367A180029	ESEA-3710-19	7/1/18-6/30/19	115,606						115,606	115,606				
ESEA Title IV	84.424	S424A170031	ESEA-3710-18	7/1/17-6/30/18	80,000	(39,977)					39,977					
ESEA Title IV	84.424	S424A180031	ESEA-3710-19	7/1/18-6/30/19	80,000						27,553	80,000	(52,447)		(52,447)	
I.D.E.A. Part B, Basic	84.027	H027A170100	IDEA-3710-18	7/1/17-6/30/18	497,260	(32,174)	23,674	\$ (23,674)	\$ 23,674		8,500					
I.D.E.A. Part B, Basic	84.027	H027A180100	IDEA-3710-19	7/1/18-6/30/19	461,391			23,674	(23,674)		460,958	466,858	(24,107)	18,207	(5,900)	
I.D.E.A. Part B, Basic	84.027		IDEA-3710-13	9/1/12-8/31/13	490,874	-	-	\$ 2,884	-	-	-	-	-	-	\$ 2,884	
Total U.S. Department of Education						(233,425)	111,142	2,884	-	-	848,853	928,610	(368,686)	166,646	2,884	(202,040)
Total Federal Financial Awards						\$ (233,425)	\$ 111,142	\$ 2,884	\$ -	\$ -	\$ 848,853	\$ 928,610	\$ (368,686)	\$ 166,646	\$ 2,884	\$ (202,040)

Note: FAIN numbers are only applicable for current year grant awards.
 N/A - Not Available

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo	
				(Accounts Receivable) (Restated)	Unearned Revenue (Restated)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
<i>General Fund, Regional Cooperative, Regional Special Ed & Teens and Tots Funds</i>														
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 1,108,571				\$ 1,032,488	\$ 1,108,571		\$ (76,083)			\$ 1,108,571	
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	1,108,571	\$ (52,064)			52,064							
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	42,643				39,717	42,643		(2,926)			42,643	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	42,643	(2,003)			2,003							
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	22,480	(1,056)			1,056							
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	23,230	(1,091)			1,091							
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	23,230	(1,091)			1,091							
Total State Aid Public Cluster								1,151,214					1,151,214	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	307,800				286,675	307,800		(21,125)			307,800	
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	93,037	(4,369)			4,369							
Additional Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	36,177					36,177		(36,177)		\$ (36,177)	36,177	
Additional Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	29,357	(29,357)			29,357							
Total Transportation Aid								343,977					343,977	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	693,841					693,841		(693,841)			693,841	
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	947,498	(947,498)			947,498							
Reimbursed TPAF Pension Contribution														
Normal	19-495-034-5094-002	7/1/18-6/30/19	6,301,993				6,301,993	6,301,993					6,301,993	
NCCI	19-495-034-5094-004	7/1/18-6/30/19	131,917				131,917	131,917					131,917	
Long-Term Disability	19-495-034-5094-004	7/1/18-6/30/19	4,516				4,516	4,516					4,516	
Post Retirement	19-495-034-5094-001	7/1/18-6/30/19	2,918,411				2,918,411	2,918,411					2,918,411	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	2,398,677				2,280,429	2,398,677		(118,248)		(118,248)	2,398,677	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	2,423,224	(117,596)			117,596							
Total General Fund, Regional Cooperative, Regional Special Ed & Teens and Tots Funds				(1,156,125)			14,152,271	13,944,546		(948,400)			(154,425)	13,944,546
<i>Special Revenue Fund</i>														
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	5,922				5,922					\$ 5,922		
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	9,744			\$ 8,858			\$ 8,858					
Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	3,551					3,551		(3,551)			(3,551)	3,551
Total Nonpublic Auxiliary Aid (Chapter 192) Cluster								3,551					3,551	
Handicapped Services:														
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	17,846				17,846	17,481					17,481	
Examination & Classification	18-100-034-5120-066	7/1/17-6/30/18	20,749			4,913			4,913					
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	3,035			3,035			3,035					
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	21,093				21,093	15,543				5,550	15,543	
Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	13,956			8,722			8,722					
Total Nonpublic Handicapped Aid (Chapter 193) Cluster								33,024					33,024	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	26,540				26,540	26,493					26,493	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	54,223				54,223	54,223					54,223	
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	18,574			3,240			3,240					
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	17,892				17,892	13,611				4,281	13,611	
Security Aid	19-100-034-5120-509	7/1/19-6/30/19	83,850				83,850	75,009				8,841	75,009	
Security Aid	18-100-034-5120-509	7/1/17-6/30/18	43,725			1,181			1,181					
Total Special Revenue Fund						29,949	227,366	205,911	29,949	(3,551)		25,006	(3,551)	205,911

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title <i>Capital Projects Fund</i>	Grant or State Project Number	Grant Period	Balance, June 30, 2018					Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2019			Memo	
			Award Amount	(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
NJ School Development Authority HVAC and Roof Replacement	SP3710-050-14-G1FH		\$ 484,902	\$ (376,303)	\$ 375,303	-	-	-	-	\$ (376,303)	\$ 375,303	-	\$ (376,303)	-	
Total Capital Projects Fund				(376,303)	375,303	-	-	-	-	(376,303)	375,303	-	(376,303)	-	
Debt Service Fund															
Debt Service Aid	19-495-034-5120-075	7/1/18-6/30/19	239,673	-	-	-	239,673	\$ 239,673	-	-	-	-	-	\$ 239,673	
State Financial Assistance Subject to Single Audit Determination				\$ (1,532,428)	\$ 375,303	\$ 29,949	14,619,310	14,390,130	\$ 29,949	\$ (1,328,254)	\$ 375,303	\$ 25,006	\$ (534,279)	\$ 14,390,130	
Less On-Behalf TPAF Pension and Annuity Aid Not Subject to Single Audit Determination															
Normal Pension Costs							6,301,993	6,301,993							
NonContributory Insurance							131,917	131,917							
Long-Term Disability							4,516	4,516							
Post Retirement							2,918,411	2,918,411							
							9,356,837	9,356,837							
Total for State Financial Assistance Subject to Major Program Determination							\$ 5,262,473	\$ 5,033,293							

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$215,197 for the general fund and a decrease of \$19,624 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 11,592,439	\$ 11,592,439
Special Revenue Fund	\$ 928,610	192,405	1,121,015
Debt Service Fund		239,673	239,673
Regional Coop. Prgm. Fund		243,330	243,330
Regional Special Ed. Fund		2,262,964	2,262,964
Teens and Tots Fund	-	61,010	61,010
	<u> </u>	<u> </u>	<u> </u>
Total Awards Financial Assistance	\$ 928,610	\$ 14,591,821	\$ 15,520,431

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

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$2,398,677 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$6,433,910, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,918,411 and TPAF Long-Term Disability Insurance in the amount of \$4,516 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

NOTE 8 RECLASSIFICATIONS

A certain grant program has been reclassified at June 30, 2018 from the schedule of state financial assistance (Exhibit K-4) to the schedule of expenditures of federal awards (Exhibit K-3) as follows:

		<u>Balance at June 30, 2018</u>	
<u>Federal/State Grant Program</u>	<u>Account Number</u>	<u>Accounts Receivable</u>	<u>Unearned Revenue</u>
Carter Path Continuation Grant	19E00002	\$ (99,971)	\$ 87,218

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified: yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
- Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified: yes X no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A180100	IDEA Part B
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

Auditee qualified as low-risk auditee? X yes no

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

Part 2 – Schedule of Financial Statement Findings

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

There are none.

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

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

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2018-001

Our audit of the District's capital assets revealed certain current year additions were not added to the Capital Assets inventory report.

Current Status

Corrective action has been taken.