

**DELAWARE VALLEY REGIONAL
HIGH SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2020

**Responsibility of the Management of
Delaware Valley Regional High School District
Hunterdon County, New Jersey**



**DELAWARE VALLEY REGIONAL
HIGH SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

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Delaware Valley Regional High School Board of Education



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Telephone: 908-996-2727 • Fax: 908-996-4527 • Website: dvrhs.org

Daria A. Wasserbach
Superintendent

Teresa E. Barna, RSBO
Business Administrator/Board Secretary

January 27, 2021

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

Dear Board Members:

The comprehensive annual financial report of the Delaware Valley Regional High School District for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Delaware Valley Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Delaware Valley Regional High School Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational and special education services. The District completed the 2019-2020 fiscal year with an average daily enrollment of 689.2 students, which is a 2.85% increase over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	689.2	2.85%
2018-2019	670.1	(3.37%)
2017-2018	693.5	(16.26%)
2016-2017	828.2	(5.92%)
2015-2016	880.3	(1.51%)
2014-2015	893.8	(5.45%)
2013-2014	945.3	(1.66%)
2012-2013	961.3	1.90%
2011-2012	943.4	(5.89%)
2010-2011	1,002.4	(3.78%)

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

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

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

Enrollments are currently not declining as rapidly and are starting to stabilize. However, as a result of the state aid redistribution bill, known as S2, which passed in 2018, the district is experiencing a significant decrease in state aid. Over a 5 year period, the district is slated to lose \$2.7M of state financial support. Fiscal year 2020 represented year 2 of the 5 year phase out. To this point, all district educational programs have been maintained, although there has been a decrease in staffing levels.

3. STUDENT PROGRESS: One Hundred Seventy-Five (175) students comprised Delaware Valley's 2020 graduating class.

Due to the pandemic and the school closures in the spring of 2020, the NJSLA test was not administered.

Offered is a comprehensive program, consisting primarily of in-house courses, which includes some out-of-district placements for handicapped, disadvantaged and special needs students. College level courses and college credits are being offered through a concurrent enrollment program offered by partnerships with Raritan Valley Community College, Seton Hall University and NJIT.

4. INTERNAL ACCOUNTING CONTROLS: Management 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 adequate accounting data are compiled to allow for the preparation of financial statements 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.

As a recipient of Federal and State financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District Management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

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 and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues meeting its responsibilities for sound financial management.

8. DEBT ADMINISTRATION: At June 30, 2020, the District has no outstanding debt.

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

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, content, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditor's report on the general-purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



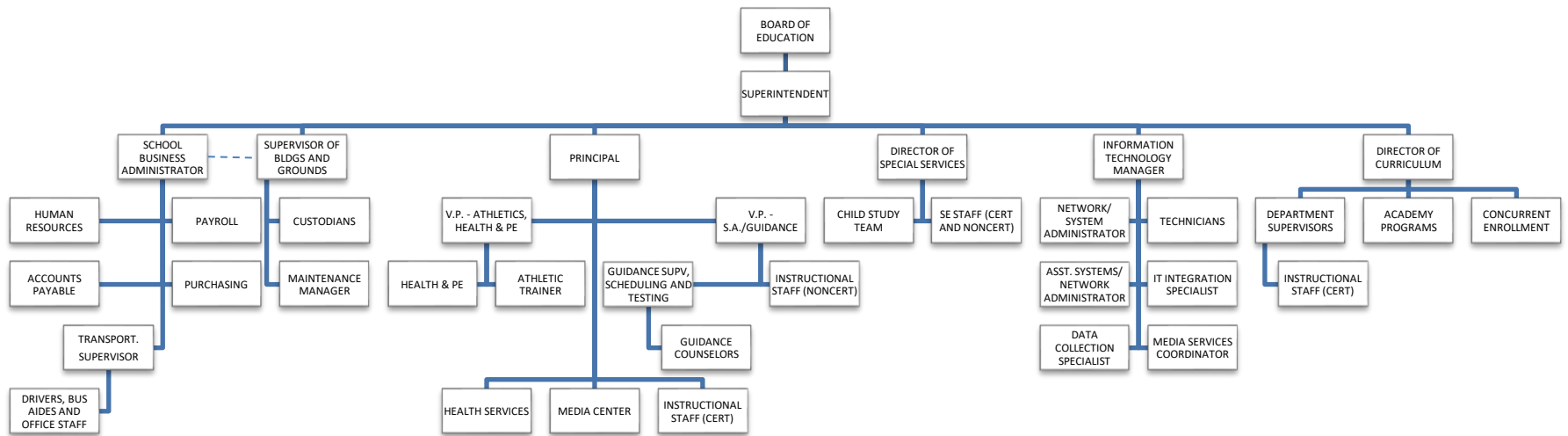
Daria A. Wasserbach
Superintendent of Schools



Teresa O'Brien
Board Secretary/Business Administrator

DELAWARE VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION
 ORGANIZATIONAL CHART

REVISED: JULY 2019



DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT

Roster of Officials

June 30, 2020

Members of the Board of Education	Title	Term Expires
Ellen Gordon	President	2022
Jonathan DeLisle	Vice President	2020
Sharon Lightner		2020
Geoffrey Stanley		2020
Debora Frank		2021
Michelle Kletter		2021
Patrick Mancini		2021
Gordon Bowers		2022
George Tavernite		2022

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors
June 30, 2020

ATTORNEY

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

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Suite 2
Flemington, NJ 08822

ARCHITECT

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

FINANCIAL ADVISOR

Phoenix Advisors
4 West Park Street
Bordentown, NJ 08505

OFFICIAL DEPOSITORY

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

SCHOOL PHYSICIAN

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



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Valley Regional School District (the District) in the County of Hunterdon, as of and for the fiscal year ended June 30, 2020, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Valley Regional School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual 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 fund financial statements, 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.

The introduction and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

January 27, 2021
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of Delaware Valley Regional High School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position decreased \$836,522, which represents an 8.15% decrease from 2019.
- General revenues accounted for \$24,466,500 in revenue or 82.64% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$5,139,052 or 17.36% to total revenues of \$29,605,552.
- Total assets of governmental activities decreased by \$355,340, as cash and cash equivalents decreased by \$506,092, receivables and other assets decreased by \$253,305, and capital assets increased by \$404,057.
- The School District had \$28,762,757 in expenses; only \$5,139,052 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$24,466,500 were adequate to provide for these programs.
- Among major funds, the general fund had \$21,633,555 in revenues and \$20,925,916 in expenditures. After factoring in other financing uses of \$275,106, the general fund's balance increased \$982,745 from 2019.

Using this 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 Delaware 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 School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other non-major funds presented in total in one column. In the case of Delaware Valley Regional High School District, the general fund is by far the most significant fund.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question; "How did we do financially during fiscal year 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting 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 School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School 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 School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

Governmental fund information helps you 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.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2020 compared to June 30, 2019.

Table 1
Net Position

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 5,114,07	\$ 5,837,786	\$ (723,716)	-12.40%
Capital assets	18,794,896	19,076,796	(281,900)	-1.48%
Total assets	23,908,966	24,914,582	(1,005,616)	-4.04%
Deferred pension activity	1,981,650	2,512,918	(531,268)	-21.14%
Liabilities				
Long-term liabilities	12,947,262	13,210,914	(263,652)	-2.00%
Other liabilities	260,703	747,417	(486,714)	-65.12%
Total liabilities	13,207,965	13,958,331	(750,366)	-5.38%
Deferred pension activity	3,254,221	3,204,217	50,004	1.56%
Net position				
Net investment in capital assets	15,084,249	15,432,677	(348,428)	-2.26%
Restricted	2,980,927	1,436,011	1,544,916	107.58%
Unrestricted	(8,636,746)	(6,603,736)	(2,033,010)	30.79%
Total net position	\$ 9,428,430	\$ 10,264,952	\$ (836,522)	-8.15%

Total assets decreased \$1,005,616. Cash and cash equivalents decreased by \$575,852, receivables and other assets decreased by \$147,864, and capital assets decreased by \$281,900. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District decreased by \$2,033,010.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

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Management's Discussion and Analysis
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Unaudited

Table 2 shows the changes in net position for the fiscal year ended June 30, 2020 compared to June 30, 2019.

Table 2
Changes in Net Position

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Charges for services	\$ 4,874,902	\$ 4,699,761	\$ 175,141	3.73%
Operating grants and contributions	264,150	5,682,653	(5,418,503)	-95.35%
Capital Grant Contributions	-	1,022,889	(1,022,889)	-100.00%
General revenues				
Property taxes	15,043,555	14,748,585	294,970	2.00%
Grants and entitlements	9,289,218	3,252,928	6,036,290	185.56%
Other	133,727	478,945	(345,218)	-72.08%
Total revenues	29,605,552	29,885,761	(280,209)	-0.94%
Expenses				
Instruction				
Regular	8,928,631	8,713,124	215,507	2.47%
Special	2,093,215	2,043,177	50,038	2.45%
Other	1,404,372	1,102,703	301,669	27.36%
Support services				
Tuition	1,374,230	1,306,571	67,659	5.18%
Student & instructional related services	4,899,186	5,204,918	(305,732)	-5.87%
General & business administration	1,483,117	1,052,704	430,413	40.89%
School administration	517,206	767,067	(249,861)	-32.57%
Maintenance	1,680,396	1,955,738	(275,342)	-14.08%
Transportation	1,080,789	1,247,169	(166,380)	-13.34%
Food service	280,930	320,632	(39,702)	-12.38%
Summer enrichment	4,150	246,628	(242,478)	-98.32%
Transportation	4,760,412	3,822,210	938,202	24.55%
Technology services	98,785	246,628	(147,843)	-59.95%
Administrative services	114,927	246,628	(131,701)	-53.40%
Capital Outlay	-	866,634	(866,634)	-100.00%
Interest on long-term debt	42,411	6,220	36,191	581.85%
Total expenses	28,762,757	29,148,751	(385,994)	-1.32%
Increase (Decrease) in Net Position before special position	842,795	737,010	105,785	14.35%
Special Item				
Lease proceeds utilized	(1,758,333)	-	(1,758,333)	*
Increase (decrease) in net position	\$ (915,538)	\$ 737,010	\$ (1,652,548)	-224.22%

* = undefined

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Governmental Activities

Local property taxes made up 50.81% of revenues for governmental activities for the Delaware Valley Regional High School District for fiscal year 2020.

Instruction comprises 43.20% of district expenses. Support services expenses make up 56.80% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2020 compared to June 30, 2019.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/20	06/30/19	06/30/20	06/30/19
Instruction	\$ 12,426,218	\$ 11,859,004	\$ 12,353,780	\$ 7,684,774
Support services				
Tuition	1,374,230	1,306,571	1,214,435	1,306,571
Student & instructional staff	4,899,186	5,204,918	4,875,758	4,189,986
General & business administration	1,483,117	1,052,704	1,483,117	945,020
School administration	517,206	767,067	517,206	576,764
Plant operations & maintenance	1,680,396	1,955,738	1,488,906	775,456
Pupil transportation	1,080,789	1,247,169	1,080,789	1,216,247
Food services	280,930	320,632	14,839	14,718
Summer enrichment	4,150	-	-	-
Transportation	4,760,412	3,822,210	700,125	(342,276)
Technology services	98,785	246,628	(145,939)	10,078
Administrative services	114,927	-	(1,722)	-
Capital outlay	-	866,634	-	866,634
Interest on long-term debt	42,411	6,220	42,411	6,220
Total expenses	<u>\$ 28,762,757</u>	<u>\$ 28,655,495</u>	<u>\$ 23,623,705</u>	<u>\$ 17,250,192</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration, and business administration include expenses associated with administrative and financial supervision of the District.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
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Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities, general revenue support is 82.64%. The community, as a whole, is the primary support or funding source for the Delaware Valley Regional High School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$21,633,555 and expenditures of \$20,925,916. The general fund had an increase in fund balance of \$982,745.

General Fund Budgeting Highlights

The School 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 budgeted fund is the general fund.

During the course of fiscal year 2020, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budget basis revenue and other financing sources were \$19,157,565, \$316,759 above original budgeted estimates of \$18,840,806. This difference was due primarily to increased interest earnings and other miscellaneous revenues.

The general fund revenues of the School District exceeded expenditures and other financing uses by \$947,085, due to excess revenues of \$316,759 and unspent budgetary lines. This enabled the capital reserve account to be increased by \$840,329, emergency reserve by \$55,231 and maintenance reserve by \$100,000. The financial position of the School District remains strong.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Capital Assets

At the end of the fiscal year 2020, the School District had \$18,794,896 invested in land, building, furniture and equipment. Table 4 shows June 30, 2020 balances compared to June 30, 2019.

Table 4
Capital Assets at Year End (Net of Depreciation)

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Land	\$ 36,845	\$ 36,845	\$ -	0.00%
Construction in progress	-	1,189,919	(1,189,919)	-100.00%
Land improvements	13,770,792	13,037,156	733,636	5.63%
Buildings & improvements	3,268,893	2,803,074	465,819	16.62%
Furniture & equipment	925,730	944,772	(19,042)	-2.02%
Vehicles	792,636	1,065,030	(272,394)	-25.58%
	<u>\$ 18,794,896</u>	<u>\$ 19,076,796</u>	<u>\$ (281,900)</u>	-1.48%

* = undefined

Overall capital assets decreased \$281,900 from fiscal year 2019 to fiscal year 2020. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2020, the School District had \$12,947,262 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2020 compared to June 30, 2019.

At June 30, 2020, the legal debt limit is \$71,119,217. General obligation debt at June 30, 2020 is \$0 resulting in a legal debt margin of \$71,119,217.

Table 5
Long-Term Liabilities at Year End

	06/30/20	06/30/19	Variance	
			Dollars	Percent
Compensated absences payable	\$ 1,027,476	\$ 977,207	\$ 50,269	5.14%
Capital leases payable	3,710,650	3,644,119	66,531	1.83%
PERS net pension liability	8,209,136	8,589,588	(380,452)	-4.43%
	<u>\$ 12,947,262</u>	<u>\$ 13,210,914</u>	<u>\$ (263,652)</u>	-2.00%

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
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For the Future

The Delaware Valley Regional High School District is in satisfactory financial condition at this time. The School District is proud of its community support of the public schools. The School District has continued to grow its program offerings for its students while being sensitive to the taxpayers. The District has a reliance on local property taxes which is a main source of funding. Legislation passed that redistributes state aid continues to be a concern and struggle over the next several years. Delaware Valley Regional High School is losing a significant amount of state aid under the new legislation.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Teresa O'Brien, School Business Administrator/Board Secretary at Delaware Valley Regional High School Board of Education, 19 Senator Stout Road, Frenchtown, NJ 08825 or email at teresaobrien@dvrhs.k12.nj.us.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 534,872	\$ 912,520	\$ 1,447,392
Due from other funds, net	8,410	-	8,410
Receivables, net	273,937	397,559	671,496
Inventory	-	5,845	5,845
Restricted assets			
Capital reserve account - cash	1,949,717	-	1,949,717
Emergency reserve - cash	250,000	-	250,000
Maintenance reserve - cash	200,598	-	200,598
Special revenue - cash	-	-	-
Capital projects - cash	580,612	-	580,612
Capital assets, net			
Land	36,845	-	36,845
Other capital assets, net of depreciation	15,562,063	3,195,988	18,758,051
Total assets	19,397,054	4,511,912	23,908,966
Deferred outflows of resources			
Deferred amount on pension activity	1,157,862	823,788	1,981,650
Liabilities			
Accounts payable	158,350	7,616	165,966
Accrued interest	15,430	-	15,430
Unearned revenue	56,519	22,788	79,307
Long-term liabilities			
Due within one year	541,604	577,143	1,118,747
Due beyond one year	7,407,462	4,421,053	11,828,515
Total liabilities	8,179,365	5,028,600	13,207,965
Deferred inflows of resources			
Deferred amount on pension liability	1,901,415	1,352,806	3,254,221
Net position			
Net investment in capital assets	13,353,577	1,730,672	15,084,249
Restricted for			
Capital reserve	1,949,717	-	1,949,717
Emergency reserve	250,000	-	250,000
Maintenance reserve	200,598	-	200,598
Capital projects	580,612	-	580,612
Unrestricted	(5,860,368)	(2,776,378)	(8,636,746)
Total net position	\$ 10,474,136	\$ (1,045,706)	\$ 9,428,430

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 4,286,659	\$ 4,641,972	\$ 54,411	\$ 7,335	\$ -	\$ (8,866,885)	\$ -	\$ (8,866,885)
Special education	910,242	1,089,433	-	-	-	(1,999,675)	-	(1,999,675)
Other special education	42,587	50,953	-	10,692	-	(82,848)	-	(82,848)
Other instruction	1,035,746	368,626	-	-	-	(1,404,372)	-	(1,404,372)
Support services								
Tuition	1,374,230	-	-	159,795	-	(1,214,435)	-	(1,214,435)
Students & instruction related services	2,818,954	2,080,232	-	23,428	-	(4,875,758)	-	(4,875,758)
General & business administration services	721,454	761,663	-	-	-	(1,483,117)	-	(1,483,117)
School administration services	464,973	52,233	-	-	-	(517,206)	-	(517,206)
Plant operations & maintenance	1,383,497	296,899	191,490	-	-	(1,488,906)	-	(1,488,906)
Pupil transportation	1,080,789	-	-	-	-	(1,080,789)	-	(1,080,789)
Interest on long-term debt	42,411	-	-	-	-	(42,411)	-	(42,411)
Total governmental activities	<u>14,161,542</u>	<u>9,342,011</u>	<u>245,901</u>	<u>201,250</u>	<u>-</u>	<u>(23,056,402)</u>	<u>-</u>	<u>(23,056,402)</u>
Business-type activities								
Transportation service	4,760,412	-	4,060,287	-	-	-	(700,125)	(700,125)
Food service	280,930	-	203,191	62,900	-	-	(14,839)	(14,839)
Summer enrichment	4,150	-	4,150	-	-	-	-	-
Technology service	98,785	-	244,724	-	-	-	145,939	145,939
Administrative service	114,927	-	116,649	-	-	-	1,722	1,722
Total business-type activities	<u>5,259,204</u>	<u>-</u>	<u>4,629,001</u>	<u>62,900</u>	<u>-</u>	<u>-</u>	<u>(567,303)</u>	<u>(567,303)</u>
Total primary government	<u>\$ 19,420,746</u>	<u>\$ 9,342,011</u>	<u>\$ 4,874,902</u>	<u>\$ 264,150</u>	<u>\$ -</u>	<u>(23,056,402)</u>	<u>(567,303)</u>	<u>(23,623,705)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						15,043,555	-	15,043,555
Federal and state aid not restricted						9,289,218	-	9,289,218
Investment earnings						49,980	375	50,355
Lease proceeds utilized						(1,758,333)	-	(1,758,333)
Miscellaneous income						63,966	19,406	83,372
Total general revenues, special items and transfers						<u>22,688,386</u>	<u>19,781</u>	<u>22,708,167</u>
Change in net position						(368,016)	(547,522)	(915,538)
Net position - beginning (restated)						10,842,152	(498,184)	10,343,968
Net position - ending						<u>\$ 10,474,136</u>	<u>\$ (1,045,706)</u>	<u>\$ 9,428,430</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 469,556	\$ 45,971	\$ 19,345	\$ -	\$ 534,872
Due from other funds	27,755	-	-	-	27,755
Receivables from other governments					
Local	1,226	-	-	-	1,226
State	261,260	-	-	-	261,260
Federal	-	10,548	-	-	10,548
Other accounts receivables	903	-	-	-	903
Restricted cash and cash equivalents	2,400,315	-	580,612	-	2,980,927
Total assets	\$ 3,161,015	\$ 56,519	\$ 599,957	\$ -	\$ 3,817,491
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ -	\$ 19,345	\$ -	\$ 19,345
Accounts payable	158,350	-	-	-	158,350
Unearned revenue	-	56,519	-	-	56,519
Total liabilities	158,350	56,519	19,345	-	234,214

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 13,954	\$ -	\$ -	\$ -	\$ 13,954
Capital reserve	1,949,717	-	-	-	1,949,717
Emergency reserve	250,000	-	-	-	250,000
Maintenance reserve	200,598	-	-	-	200,598
Capital projects	-	-	580,612	-	580,612
Committed fund balance					
Year-end encumbrances	189,934	-	-	-	189,934
Assigned fund balance					
Designated for subsequent year's expenditures	124,081	-	-	-	124,081
Unassigned fund balance	274,381	-	-	-	274,381
Total fund balances	<u>3,002,665</u>	<u>-</u>	<u>580,612</u>	<u>-</u>	<u>3,583,277</u>
Total liabilities and fund balances	<u>\$ 3,161,015</u>	<u>\$ 56,519</u>	<u>\$ 599,957</u>	<u>\$ -</u>	

Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$30,753,418 and the accumulated depreciation is \$15,154,510.	15,598,908
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.	(743,553)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(7,949,066)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(15,430)</u>
Total net position of governmental activities	<u>\$10,474,136</u>

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 15,043,555	\$ -	\$ -	\$ -	\$ 15,043,555
Tuition					
Other LEAs	54,411	-	-	-	54,411
Interest	49,980	-	-	-	49,980
Rents and royalties	191,490	-	-	-	191,490
Miscellaneous	63,966	4,985	-	-	68,951
Total local sources	15,403,402	4,985	-	-	15,408,387
State sources	6,230,153	-	-	-	6,230,153
Federal sources	-	196,265	-	-	196,265
Total revenues	21,633,555	201,250	-	-	21,834,805
Expenditures					
Current					
Instructional					
Regular instruction	4,609,022	7,335	-	-	4,616,357
Special education instruction	910,242	-	-	-	910,242
Other special instruction	31,895	10,692	-	-	42,587
Other instruction	1,035,746	-	-	-	1,035,746
Support service & undistributed costs					
Tuition	1,214,435	159,795	-	-	1,374,230
Student & instruction related services	2,795,526	23,428	-	-	2,818,954
General & business administrative services	721,454	-	-	-	721,454
School administrative services	464,973	-	-	-	464,973
Plant operations & maintenance	1,383,497	-	-	-	1,383,497
Pupil transportation	1,080,789	-	-	-	1,080,789
Unallocated benefits	5,682,374	-	-	-	5,682,374

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 968,982	\$ -	\$ 1,758,333	\$ -	\$ 2,727,315
Debt service					
Interest & other charges	26,981	-	-	-	26,981
Total expenditures	<u>20,925,916</u>	<u>201,250</u>	<u>1,758,333</u>	<u>-</u>	<u>22,885,499</u>
Excess (deficit) of revenues over (under) expenditures	<u>707,639</u>	<u>-</u>	<u>(1,758,333)</u>	<u>-</u>	<u>(1,050,694)</u>
Other financing sources (uses)					
Lease proceeds	350,106	-	-	-	350,106
Operating transfers out	(75,000)	-	-	-	(75,000)
Total other financing sources (uses)	<u>275,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,106</u>
Net change in fund balance	982,745	-	(1,758,333)	-	(775,588)
Fund balances, July 1	<u>2,019,920</u>	<u>-</u>	<u>2,338,945</u>	<u>-</u>	<u>4,358,865</u>
Fund balances, June 30	<u>\$ 3,002,665</u>	<u>\$ -</u>	<u>\$ 580,612</u>	<u>\$ -</u>	<u>\$ 3,583,277</u>

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Total net changes in fund balances - Governmental fund (from B-2) \$ (775,588)

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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capitalized expenditures	\$ 486,900	
Depreciation and amortization expense	<u>(1,356,236)</u>	(869,336)

Repayment of leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Lease principal payments	811,778
--------------------------	---------

Governmental funds report lease proceeds as financing sources whereas issuing debt increased long-term liabilities in the government-wide statements.

(350,106)

In the Statement of Activities, interest on long-term liabilities is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.

(15,430)

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

859,958

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2020

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

\$ (29,292)

Change in net position of governmental activities

\$ (368,016)

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2020

	Major Fund Transportation Service Fund	Non-Major Funds			Administrative Service Fund	Total Non-Major Funds	Total
		Food Service Fund	Summer Enrichment Fund	Technology Service Fund			
Assets							
Current assets							
Cash and cash equivalents	\$ 886,930	\$ 19,113	\$ -	\$ 3,582	\$ 2,895	\$ 25,590	\$ 912,520
Receivables from other governments							
Local	396,860	-	-	-	-	-	396,860
State	-	7	-	-	-	7	7
Federal	-	692	-	-	-	692	692
Inventory	-	5,845	-	-	-	5,845	5,845
Total current assets	<u>1,283,790</u>	<u>25,657</u>	<u>-</u>	<u>3,582</u>	<u>2,895</u>	<u>32,134</u>	<u>1,315,924</u>
Deferred outflows	<u>760,281</u>	<u>-</u>	<u>-</u>	<u>63,507</u>	<u>-</u>	<u>63,507</u>	<u>823,788</u>
Noncurrent assets							
Capital assets	7,860,650	210,640	-	-	-	210,640	8,071,290
Less: accumulated depreciation	4,688,632	186,670	-	-	-	186,670	4,875,302
Total noncurrent assets	<u>3,172,018</u>	<u>23,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,970</u>	<u>3,195,988</u>
Total assets	<u>5,216,089</u>	<u>49,627</u>	<u>-</u>	<u>67,089</u>	<u>2,895</u>	<u>119,611</u>	<u>5,335,700</u>

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Net Position
June 30, 2020

	Major Fund Transportation Service Fund	Non-Major Funds				Total Non-Major Funds	Total
		Food Service Fund	Summer Enrichment Fund	Technology Service Fund	Administrative Service Fund		
Liabilities							
Current liabilities							
Accounts payable	\$ 3,483	\$ 4,133	\$ -	\$ -	\$ -	\$ 4,133	\$ 7,616
Unearned revenues - commodities	-	2,218	-	-	-	2,218	2,218
Unearned revenues - prepaid sales	-	12,492	-	-	-	12,492	12,492
Unearned revenues - other	8,078	-	-	-	-	-	8,078
Long-term liabilities							
Due within one year	577,143	-	-	-	-	-	577,143
Due beyond one year	4,157,970	-	-	263,083	-	263,083	4,421,053
Total liabilities	4,746,674	18,843	-	263,083	-	281,926	5,028,600
Deferred inflows	1,248,516	-	-	104,290	-	104,290	1,352,806
Net position							
Invested in capital assets, net of related debt	1,706,702	23,970	-	-	-	23,970	1,730,672
Unrestricted	(2,485,803)	6,814	-	(300,284)	2,895	(290,575)	(2,776,378)
Total net position	\$ (779,101)	\$ 30,784	\$ -	\$ (300,284)	\$ 2,895	\$ (266,605)	\$(1,045,706)

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Non-Major Funds					Total Non-Major Funds	Total
	Major Fund Transportation Service Fund	Food Service Fund	Summer Enrichment Fund	Technology Service Fund	Administrative Service Fund		
Operating revenues							
Charges for services							
Daily sales - reimbursable programs	\$ -	\$ 94,418	\$ -	\$ -	\$ -	\$ 94,418	\$ 94,418
Daily sales - non-reimbursable programs	-	108,773	-	-	-	108,773	108,773
Fees for services	4,060,287	-	4,150	244,724	116,649	365,523	4,425,810
Total operating revenues	<u>4,060,287</u>	<u>203,191</u>	<u>4,150</u>	<u>244,724</u>	<u>116,649</u>	<u>568,714</u>	<u>4,629,001</u>
Operating expenses							
Cost of sales - reimbursable programs	-	58,185	-	-	-	58,185	58,185
Cost of sales - non-reimbursable programs	-	54,728	-	-	-	54,728	54,728
Commodity food costs	-	20,063	-	-	-	20,063	20,063
Salaries	2,260,227	92,027	3,520	172,857	87,334	355,738	2,615,965
Supports services - employee benefits	1,220,435	12,489	233	(74,187)	16,502	(44,963)	1,175,472
Purchased professional/technical services	64,744	1,238	139	-	-	1,377	66,121
Purchased property services	39,187	7,355	-	-	5,363	12,718	51,905
Other purchased services						-	-
Insurance	105,241	11,509	-	-	-	11,509	116,750
Management fee	-	13,000	-	-	-	13,000	13,000
Other purchased services	82,720	-	-	115	3,035	3,150	85,870
Supplies and materials	348,944	3,303	258	-	176	3,737	352,681
Depreciation	612,356	5,852	-	-	-	5,852	618,208
Miscellaneous expenditures	26,558	1,181	-	-	2,517	3,698	30,256
Total operating expenses	<u>4,760,412</u>	<u>280,930</u>	<u>4,150</u>	<u>98,785</u>	<u>114,927</u>	<u>498,792</u>	<u>5,259,204</u>
Operating income (loss)	<u>(700,125)</u>	<u>(77,739)</u>	<u>-</u>	<u>145,939</u>	<u>1,722</u>	<u>69,922</u>	<u>(630,203)</u>

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Major Fund Transportation Service Fund	Non-Major Funds				Total Non-Major Funds	Total
		Food Service Fund	Summer Enrichment Fund	Technology Service Fund	Administrative Service Fund		
Non-operating revenues (expenses)							
State sources							
State school lunch program	\$ -	\$ 1,836	\$ -	\$ -	\$ -	\$ 1,836	\$ 1,836
Federal sources							
National school breakfast program							
Cash assistance	-	4,131	-	-	-	4,131	4,131
National school lunch program							
Cash assistance	-	36,870	-	-	-	36,870	36,870
Non-cash assistance (commodities)	-	20,063	-	-	-	20,063	20,063
Other sources							
Interest earned on investments	-	375	-	-	-	375	375
Miscellaneous	4,672	14,734	-	-	-	14,734	19,406
Total non-operating revenues (expenses)	4,672	78,009	-	-	-	78,009	82,681
Change in net position	(695,453)	270	-	145,939	1,722	147,931	(547,522)
Net position, beginning	(83,648)	30,514	-	(446,223)	1,173	(414,536)	(498,184)
Net position, ending	\$ (779,101)	\$ 30,784	\$ -	\$ (300,284)	\$ 2,895	\$ (266,605)	\$ (1,045,706)

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Non-Major Funds					Total Non-Major Funds	Total
	Major Fund Transportation Service Fund	Food Service Fund	Summer Enrichment Fund	Technology Service Fund	Administrative Service Fund		
Cash flows from operating activities							
Receipts from customers	\$ 3,955,027	\$ 208,707	\$ 1,935	\$ 244,724	\$ 117,066	\$ 572,432	\$ 4,527,459
Payments to Food Service Management Co.	-	(241,364)	-	-	-	(241,364)	(241,364)
Payments to vendors (net)	(3,375,237)	(9,625)	(4,150)	(242,339)	(114,927)	(371,041)	(3,746,278)
Net cash provided by (used for) operating activities	<u>579,790</u>	<u>(42,282)</u>	<u>(2,215)</u>	<u>2,385</u>	<u>2,139</u>	<u>(39,973)</u>	<u>539,817</u>
Cash flows from non-capital financing activities							
State sources	-	1,880	-	-	-	1,880	1,880
Federal sources	-	41,093	-	-	-	41,093	41,093
Interfund receipts	216,006	40	-	-	-	40	216,046
Miscellaneous	4,672	14,694	-	-	-	14,694	19,366
Net cash provided by (used for) non-capital financing activities	<u>220,678</u>	<u>57,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,707</u>	<u>278,385</u>
Cash flows from capital financing activities							
Lease payments	(708,806)	-	-	-	-	-	(708,806)
Acquisition of equipment	(176,747)	(3,540)	-	-	-	(3,540)	(180,287)
Net cash provided by (used for) capital financing activities	<u>(885,553)</u>	<u>(3,540)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,540)</u>	<u>(889,093)</u>
Cash flows from investing activities							
Interest earned on investments	-	375	-	-	-	375	375
Net cash provided by (used for) investing activities	<u>-</u>	<u>375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>375</u>

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Proprietary Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Non-Major Funds					Total Non-Major Funds	Total
	Major Fund Transportation Service Fund	Food Service Fund	Summer Enrichment Fund	Technology Service Fund	Administrative Service Fund		
Net increase (decrease) in cash cash equivalents	\$ (85,085)	\$ 12,260	\$ (2,215)	\$ 2,385	\$ 2,139	\$ 14,569	\$ (70,516)
Cash and cash equivalents, beginning	972,015	6,853	2,215	1,197	756	11,021	983,036
Cash and cash equivalents, ending	<u>\$ 886,930</u>	<u>\$ 19,113</u>	<u>\$ -</u>	<u>\$ 3,582</u>	<u>\$ 2,895</u>	<u>\$ 25,590</u>	<u>\$ 912,520</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating activities							
Operating income (loss)	\$ (700,125)	\$ (77,739)	\$ -	\$ 145,939	\$ 1,722	\$ 69,922	\$ (630,203)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities							
Depreciation	612,356	5,852	-	-	-	5,852	618,208
Federal food donation program	-	20,063	-	-	-	20,063	20,063
(Increase) decrease in accounts receivable	(105,260)	-	-	(29,857)	417	(29,440)	(134,700)
(Increase) decrease in inventory	-	(317)	-	-	-	(317)	(317)
Increase (decrease) in accounts payable	(116,049)	4,133	-	-	-	4,133	(111,916)
Increase (decrease) in compensated absences liability	20,980	-	-	-	-	-	20,980
Increase (decrease) in net pension liability	607,004	-	-	(132,038)	-	(132,038)	474,966
Increase (decrease) in deferred inflows	300,068	-	-	(43,104)	-	(43,104)	256,964
(Increase) decrease in deferred outflow	(39,184)	-	-	61,445	-	61,445	22,261
Increase (decrease) in deferred revenue	-	5,726	(2,215)	-	-	3,511	3,511
Net cash provided by (used for) operating activities	<u>\$ 579,790</u>	<u>\$ (42,282)</u>	<u>\$ (2,215)</u>	<u>\$ 2,385</u>	<u>\$ 2,139</u>	<u>\$ (39,973)</u>	<u>\$ 539,817</u>

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund
Assets				
Cash and cash equivalents	\$ 218,859	\$ 26,880	\$ 102,447	\$ 272,955
Total assets	<u>\$ 218,859</u>	<u>\$ 26,880</u>	<u>\$ 102,447</u>	<u>\$ 272,955</u>
Liabilities				
Payroll deductions and withholdings	\$ -	\$ -	\$ -	\$ 2,829
Summer pay	-	-	-	256,638
Flexible spending	-	-	-	8,488
Due to student groups	-	-	99,037	-
Due to other funds	-	-	3,410	5,000
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 102,447</u>	<u>\$ 272,955</u>
Net position				
Held in trust for unemployment claims and other purposes	<u>\$ 218,859</u>	<u>\$ 26,880</u>		

See accompanying notes to financial statements.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Employee withholdings	\$ 21,541	\$ -
Board Contribution	75,000	-
Donations	-	4,423
Investment earnings - interest	1,262	-
Total additions	<u>97,803</u>	<u>4,423</u>
Deductions		
Scholarship awards	-	6,000
Unemployment claims	17,033	-
Total deductions	<u>17,033</u>	<u>6,000</u>
Change in net position	80,770	(1,577)
Net position, beginning of the year	<u>138,089</u>	<u>28,457</u>
Net position, end of the year	<u>\$ 218,859</u>	<u>\$ 26,880</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades 9-12. The District serves the communities of the Township of Alexandria, Borough of Frenchtown, Township of Holland, Township of Kingwood and Borough of Milford. The District had an approximate enrollment at June 30, 2020 of 756 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-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. Revenues are recorded when earned and expenses are recorded when a liability is 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 as soon as 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition 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. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, 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, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating 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.

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

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the transportation fund, food service fund, summer enrichment fund, technology fund, and administrative fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 - 20 Years
Building and improvements	20 Years
Vehicles	8 Years

Fiduciary fund types

Trust and Agency Funds - This fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the trust and agency funds of the District:

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Private Purpose Scholarship Fund - This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Miscellaneous Agency Fund - This fund accounts for the expenditure and reimbursement for various activities of the District.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Encumbrances

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

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

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2019-2020 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 - 50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board Statement Number 16 (GASB 16), Accounting for Compensated Absences. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

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

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

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 issuance are reported as other financing uses.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The school district applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net 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. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2020, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 500,000
Insured by GUDPA	4,539,268
Total bank balances	\$ 5,039,268

Deposits at June 30, 2020 appear in the financial statements as summarized below:

Cash		\$ 5,049,460
	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 534,872
Enterprise funds, Statement of Net Position	B-4	912,520
Fiduciary funds, Statement of Net Position	B-7	621,141
Restricted cash		
Governmental funds, Balance Sheet	B-1	2,980,927
Total cash		\$ 5,049,460

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets
Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 36,845	\$ -	\$ -	\$ 36,845
Total	<u>36,845</u>	<u>-</u>	<u>-</u>	<u>36,845</u>
Capital assets, being depreciated				
Building & improvements	25,715,644	-	-	25,715,644
Leased assets (intangible asset)	2,500,000	350,106	-	2,850,106
Furniture & equipment	1,995,029	136,794	-	2,131,823
Vehicles	19,000	-	-	19,000
Total	<u>30,229,673</u>	<u>486,900</u>	<u>-</u>	<u>30,716,573</u>
Accumulated depreciation and amortization				
Building & improvements	12,678,488	632,691	-	13,311,179
Leased assets (intangible asset)	24,247	570,021	-	594,268
Furniture & equipment	1,076,539	153,524	-	1,230,063
Vehicles	19,000	-	-	19,000
Total	<u>13,798,274</u>	<u>1,356,236</u>	<u>-</u>	<u>15,154,510</u>
Total capital assets, being depreciated, net	<u>16,431,399</u>	<u>(869,336)</u>	<u>-</u>	<u>15,562,063</u>
Governmental activities capital assets, net	<u>\$ 16,468,244</u>	<u>\$ (869,336)</u>	<u>\$ -</u>	<u>\$ 15,598,908</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Business type activities				
Capital assets, not being depreciated				
Construction in progress	\$ 1,189,919	\$ -	\$ 1,189,919	\$ -
Total	<u>1,189,919</u>	<u>-</u>	<u>1,189,919</u>	<u>-</u>
Capital assets, being depreciated				
Building & improvements	-	1,366,666	-	1,366,666
Leased assets (intangible asset)	1,044,798	1,025,357	-	2,070,155
Furniture & equipment	207,100	3,540	-	210,640
Vehicles	4,423,829	-	-	4,423,829
Total	<u>5,675,727</u>	<u>2,395,563</u>	<u>-</u>	<u>8,071,290</u>
Accumulated depreciation and amortization				
Building & improvements	-	339	-	339
Leased assets (intangible asset)	717,477	339,623	-	1,057,100
Furniture & equipment	180,818	5,852	-	186,670
Vehicles	3,358,799	272,394	-	3,631,193
Total	<u>4,257,094</u>	<u>618,208</u>	<u>-</u>	<u>4,875,302</u>
Total capital assets, being depreciated, net	<u>1,418,633</u>	<u>1,777,355</u>	<u>-</u>	<u>3,195,988</u>
Transfers	<u>-</u>	<u>(1,189,919)</u>	<u>(1,189,919)</u>	<u>-</u>
Business type activities capital assets, net	<u>\$ 2,608,552</u>	<u>\$ 587,436</u>	<u>\$ -</u>	<u>\$ 3,195,988</u>

Depreciation and amortization expense were charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 525,023
Special education	103,464
Other special instruction	4,765
Other instruction	117,729
Support services	
Student & instruction	320,194
General & business administration	82,005
School administration	52,852
Plant maintenance	150,204
Total depreciation expense, governmental activities	<u>\$ 1,356,236</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences payable	\$ 877,912	\$ 29,292	\$ -	\$ 907,204	\$ -
Capital leases payable	2,707,003	350,106	811,778	2,245,331	541,604
PERS net pension liability	5,651,949	-	855,418	4,796,531	-
Total governmental activities long-term liabilities	<u>\$ 9,236,864</u>	<u>\$ 379,398</u>	<u>\$ 1,667,196</u>	<u>\$ 7,949,066</u>	<u>\$ 541,604</u>
Business activities					
Compensated absences payable	\$ 99,295	\$ 20,977	\$ -	\$ 120,272	\$ -
Capital leases payable	937,116	1,233,285	705,082	1,465,319	577,143
PERS net pension liability	2,937,639	474,966	-	3,412,605	-
Total business activities long-term liabilities	<u>\$ 3,974,050</u>	<u>\$ 1,729,228</u>	<u>\$ 705,082</u>	<u>\$ 4,998,196</u>	<u>\$ 577,143</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2020 is \$71,119,217. General obligation debt at June 30, 2020 is \$0, resulting in a legal debt margin of \$71,119,217.

Capital leases payable

The annual requirements to amortize all capital leases outstanding as of June 30, 2020, including interest payments are listed as follows:

Governmental activities

Fiscal Year Ended June 30,	Principal	Interest	Total
2021	\$ 541,604	\$ 53,159	\$ 594,763
2022	553,043	41,720	594,763
2023	567,777	26,986	594,763
2024	582,907	11,855	594,762
Total	<u>\$ 2,245,331</u>	<u>\$ 133,720</u>	<u>\$ 2,379,051</u>

Business activities

Fiscal Year Ended June 30,	Principal	Interest	Total
2021	\$ 577,143	\$ 25,684	\$ 602,827
2022	472,424	17,451	489,875
2023	288,564	7,907	296,471
2024	127,188	2,206	129,394
Total	<u>\$ 1,465,319</u>	<u>\$ 53,248</u>	<u>\$ 1,518,567</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)
Capital leases payable (continued)

Leases payable - Leases payable at June 30, 2020, with their outstanding balances are comprised of the following individual issues:

	Governmental Activities	Business Activities
\$536,484 - 2016 lease, interest at 1.643%, due in annual installments beginning August 15, 2016 to August 15, 2020.	\$ -	\$ 109,360
\$739,370 - 2018 lease, interest at 3.0495%, due in annual installments beginning September 30, 2018 to September 30, 2021.	-	373,323
\$645,750 - 2019 lease, interest at 2.16%, due in annual installments beginning September 1, 2019 to September 1, 2022.	-	480,337
\$2,500,000 - 2019 lease, interest at 2.7492%, due in semi-annual installments beginning September 1, 2019 to March 1, 2024.	2,017,917	-
\$729,713 - 2020 lease, interest at 1.734%, due in annual installments beginning September 15, 2020 to September 1, 2023.	227,414	502,299
Total	\$ 2,245,331	\$ 1,465,319

Note 6 - Pension plans
Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

Plan description

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

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 10 years of service.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS)

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

Although the 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 excluding that attributable to employer-paid member contributions 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 presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2019 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019 measurement date.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, 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 and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. 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. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2020 was 14.36% of the Municipality's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2019:

Net pension liability	\$ 8,209,136
Proportionate share	0.0455595274%
 Plan fiduciary net position as a percentage of the total pension liability	 56.27%

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
 Salary increases (based on years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
 Investment rate of return	 7.00%

Preretirement mortality rates were based on the Pub-10 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) 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 the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (6.28%)	\$ 8,209,136
At a 1% lower rate (5.28%)	10,441,610
At a 1% higher rate (7.28%)	6,433,191

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2019 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 147,343	\$ 36,264
Changes of assumptions	819,712	2,849,365
Net difference between projected and actual earnings on pension plan investments	-	129,584
Changes in proportion and differences between district contributions and proportionate share of contributions	571,436	239,008
District contributions subsequent to the measurement date	443,160	-
Total	\$ 1,981,651	\$ 3,254,221

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2020, the plan measurement date is June 30, 2019) of \$443,160 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2019 measurement date:

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 163,805	\$ (16,462)	\$ 147,343
Changes of assumptions	1,415,422	(595,710)	819,712
Deferred inflows of resources			
Differences between expected and actual experience	(44,291)	8,027	(36,264)
Changes of assumptions	(2,746,494)	(102,871)	(2,849,365)
Difference between projected and actual earnings on pension plan investments	<u>(80,571)</u>	<u>(49,013)</u>	<u>(129,584)</u>
Net of deferred outflows	<u>\$ (1,292,129)</u>	<u>\$ (756,029)</u>	<u>\$ (2,048,158)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Fiscal Year Ended June 30,

2020	\$ (237,042)
2021	(768,961)
2022	(686,638)
2023	(322,412)
2024	(33,105)
Total	<u>\$ (2,048,158)</u>

Pension expense

For the fiscal year ended June 30, 2020, the District recognized net pension expense of \$632,289, which represents the District's proportionate share of allocable plan pension expense of \$380,591, plus the net amortization of deferred amounts from changes in proportion of \$260,928, and less other adjustments to the net pension liability of \$9,230. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2019 measurement date are as follows:

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 -

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (continued)

Service cost	\$	316,164
Interest on total pension liability		937,081
Member contributions		(217,766)
Administrative expense		5,768
Expected investment return net of investment expense		(581,451)
Pension expense related to specific liabilities of individual employers		(2,723)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		70,551
Amortization of expected versus actual experience		(215,629)
Amortization of projected versus actual investment earnings on pension plan investments		68,596
Pension expense	\$	380,591

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to 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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Plan description (continued)

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

Contributions

The 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. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2019, the State of New Jersey contributed \$1,318,151 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2019 measurement date is as follows:

District proportionate share of net pension liability	\$ 55,077,837
Less: State proportionate share of net pension liability	14,843,846
Net pension liability	\$ 40,233,991

Proportionate share	0.0655586968%
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Plan fiduciary net position as a percentage of the total pension liability	26.95%
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Actuarial assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's 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 (7.00% at June 30, 2019 measurement date) 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 the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's proportionate share of the net pension liability</u>	
At current discount rate (5.60%)	\$ 40,233,991
At a 1% lower rate (4.60%)	47,444,781
At a 1% higher rate (6.60%)	34,251,313

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2019 measurement date are as follows:

Service cost	\$ 1,230,897
Interest on total pension liability	2,747,927
Member contributions	(553,400)
Administrative expense	9,105
Expected investment return net of investment expense	(1,009,059)
Pension expense related to specific liabilities of individual employers	(196)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	116,563
Amortization of expected versus actual experience	(390,228)
Amortization of projected versus actual investment earnings on pension plan investments	221,499
Pension expense	<u>\$ 2,373,108</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2020) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program website: www.prudential.com/njdcrp.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2020 was \$51,591.

D. Other pension plan information

During the year ended June 30, 2020, the State of New Jersey contributed \$526,645 to the TPAF for postretirement medical benefits, \$24,997 for non-contributory insurance premiums, \$1,064 for long-term disability insurance, and \$1,394,601 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$485,085 during the year ended June 30, 2020 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

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 provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternative 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. In fiscal year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have remained consistent with fiscal year 2019 amounts. The State has appropriated 1.612 billion in fiscal year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in fiscal year 2018.

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

No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB liability (continued)

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2019 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 41,729,081,045
District's proportionate share of the State's OPEB liability	30,726,411
Employer OPEB expense and related revenue	685,957
Allocable proportionate percentage	0.0736330881%

Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2018	\$ 34,245,173
Service cost	1,319,833
Interest cost	1,358,824
Change of benefit terms	-
Differences between expected and actual experiences	(5,740,302)
Changes of assumptions	458,133
Member contributions	27,959
Gross benefit payments	(943,209)
Total OPEB liability at June 30, 2019	<u>\$ 30,726,411</u>

There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The total non-employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate		2.50%
	<u>TPAF</u>	<u>PERS</u>
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 3.05%	2.00% - 6.00%
Thereafter	1.55% - 3.05%	3.00% - 7.00%

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2019 was 3.50%. This 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.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2019 measurement date, using the District’s allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.50%)	\$ 30,726,411
At a 1% lower rate (2.50%)	36,300,034
At a 1% higher rate (4.50%)	26,299,031

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$ 30,726,411
At a 1% lower rate (1% decrease)	25,317,193
At a 1% higher rate (1% increase)	37,887,105

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$685,957 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

- Equitable
- Lincoln Investment Planning
- Met Life

Note 9 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2020 consisted of the following:

Food	\$ 3,334
Supplies	2,511
Total	\$ 5,845

Note 11 - Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fund for the current and previous two years:

Fiscal Year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance
2019 - 2020	\$ 75,000	\$ 1,262	\$ 21,541	\$ 17,033	\$ 218,859
2018 - 2019	-	-	19,032	25,846	138,089
2017 - 2018	-	-	23,707	16,622	144,903

Note 12 - Reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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 NJAC 6pA:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$840,329 to their capital reserve account, \$55,231 to their emergency reserve account and \$100,000 to their maintenance reserve account by Board Resolution in June 2020 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,099,538	\$ 840,329	\$ 9,850	\$ -	\$ -	\$ 1,949,717
Emergency	194,719	55,231	50	-	-	250,000
Maintenanc	127,800	100,000	50	-	27,252	200,598
Total	<u>\$ 1,422,057</u>	<u>\$ 995,560</u>	<u>\$ 9,950</u>	<u>\$ -</u>	<u>\$ 27,252</u>	<u>\$ 2,400,315</u>

Note 13 - Fund balances

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2020 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements	\$ 13,954
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	1,949,717
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	200,598

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	189,934
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Assigned

Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	124,081
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	622,100
Total fund balance - Budgetary basis (Exhibit C-1)	<u>3,350,384</u>
Last state aid payments not recognized on GAAP basis	(347,719)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 3,002,665</u>

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$0.

Note 15 - Interfund receivables and payables

The composition of interfund balances as of June 30, 2020 is as follows:

	Receivable	Payable
General fund	\$ 27,755	\$ -
Capital projects fund	-	19,345
Payroll agency fund	-	5,000
Student activity agency fund	-	3,410
Total	\$ 27,755	\$ 27,755

As of June 30, 2020, the following interfund balances were on the District's records. The balance due from the payroll agency of \$5,000 represents loans for cash flow purposes. The balance due from the student activities for funds that were not yet transferred as of the year end. The capital projects fund had an interfund payable to the general fund for \$19,345 for funds that were not yet transferred as of the year end.

Note 16 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement is effective for reporting periods beginning after December 15, 2019 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Financial Statements

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2020 of (\$5,860,368) and (\$2,776,378) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State’s net pension liability for PERS to each contributing entity throughout the state.

Note 18 - Restatement of prior year net position

During the fiscal year ended June 30, 2020, the District has determined a restatement of the prior year net position is necessary. Due to ongoing updates to the District's capital asset inventory and implementation of GASB 87, Leases, adjustments to the inventory report value are necessary. The following is a summary of the District's restatement of net position as of June 30, 2020:

	Governmental Activities	Business Activities
Net position, June 30, 2019	\$ 9,568,759	\$ 754,927
Change in capital assets	1,273,393	(1,253,111)
Net position, June 30, 2019, as restated	\$ 10,842,152	\$ (498,184)

Note 19 - Risks and uncertainties

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The “COVID-19 outbreak”) and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity, and future results of operations.

Note 20 - Subsequent events

The District has evaluated subsequent events through January 27, 2021, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

BUDGETARY COMPARISON SCHEDULES

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenue					
Local sources					
Local tax levy	\$ 15,043,555	\$ -	\$ 15,043,555	\$15,043,555	\$ -
Tuition from other LEAs within the state	28,000	-	28,000	54,411	26,411
Rents and royalties	209,583	-	209,583	191,490	(18,093)
Unrestricted miscellaneous revenues	55,000	-	55,000	96,058	41,058
Interest earned on current expense emergency reserve	-	-	-	50	50
Interest earned on maintenance reserve	-	-	-	50	50
Interest earned on capital reserve funds	500	-	500	9,850	9,350
Total	15,336,638	-	15,336,638	15,395,464	58,826
State sources					
Categorical transportation aid	17,291	-	17,291	17,291	-
Extraordinary aid	-	-	-	257,933	257,933
Categorical special education aid	592,662	-	592,662	592,662	-
Equalization aid	2,819,452	-	2,819,452	2,819,452	-
Categorical security aid	74,763	-	74,763	74,763	-
TPAF Pension (on-behalf)	-	-	-	1,419,598	1,419,598
TPAF Social Security (reimbursed)	-	-	-	485,085	485,085
TPAF Postretirement benefits	-	-	-	526,645	526,645
TPAF Long-term disability insurance	-	-	-	1,064	1,064
Total	3,504,168	-	3,504,168	6,194,493	2,690,325
Total revenues	\$ 18,840,806	\$ -	\$ 18,840,806	\$21,589,957	\$ 2,749,151
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Grades 9-12	\$ 3,802,074	\$ (75,170)	\$ 3,726,904	\$ 3,726,904	\$ -
Home instruction					
Salaries of teacher	30,000	925	30,925	30,925	-
Purchased professional - educational services	12,000	2,717	14,717	14,717	-
Other purchased services	1,000	(243)	757	757	-
Regular programs - undistributed instruction					
Other salaries for instruction	110,199	-	110,199	109,133	1,066
Purchased professional - educational services	7,645	(2,333)	5,312	2,583	2,729
Other purchased services	373,560	200,888	574,448	554,783	19,665
General supplies	229,120	(51,503)	177,617	162,828	14,789
Textbooks	5,410	(2,219)	3,191	3,191	-
Other objects	8,078	(3,460)	4,618	3,201	1,417
Total	4,579,086	69,602	4,648,688	4,609,022	39,666
Special education					
Multiple disabilities					
Salaries of teachers	187,885	(51,439)	136,446	136,446	-
Other salaries for instruction	6,500	-	6,500	6,500	-
Other purchased services	300	-	300	-	300
General supplies	2,400	-	2,400	964	1,436
Other objects	1,000	-	1,000	419	581
Total	198,085	(51,439)	146,646	144,329	2,317

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Resource room/resource center					
Salaries of teachers	\$ 791,585	\$ (23,849)	\$ 767,736	\$ 765,120	\$ 2,616
Other salaries for instruction	30,717	-	30,717	-	30,717
General supplies	2,000	-	2,000	793	1,207
Total	<u>824,302</u>	<u>(23,849)</u>	<u>800,453</u>	<u>765,913</u>	<u>34,540</u>
Total special education	<u>1,022,387</u>	<u>(75,288)</u>	<u>947,099</u>	<u>910,242</u>	<u>36,857</u>
Bilingual education - instruction					
Salaries of teachers	44,982	-	44,982	31,736	13,246
General supplies	2,000	-	2,000	159	1,841
Total	<u>46,982</u>	<u>-</u>	<u>46,982</u>	<u>31,895</u>	<u>15,087</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	195,501	(20,956)	174,545	169,680	4,865
Purchased services	8,500	17,154	25,654	22,403	3,251
Supplies and materials	4,440	-	4,440	1,196	3,244
Other objects	14,400	3,802	18,202	14,792	3,410
Total	<u>222,841</u>	<u>-</u>	<u>222,841</u>	<u>208,071</u>	<u>14,770</u>
School-sponsored athletics - instruction					
Salaries	644,366	(10,356)	634,010	634,010	-
Purchased services	93,444	(11,475)	81,969	77,468	4,501
Supplies and materials	78,158	(4,925)	73,233	72,371	862
Other objects	28,597	-	28,597	18,826	9,771
Transfers to cover deficit (agency funds)	51,714	-	51,714	25,000	26,714
Total	<u>896,279</u>	<u>(26,756)</u>	<u>869,523</u>	<u>827,675</u>	<u>41,848</u>
Total instruction regular	<u>\$ 6,767,575</u>	<u>\$ (32,442)</u>	<u>\$ 6,735,133</u>	<u>\$ 6,586,905</u>	<u>\$ 148,228</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the state - special	\$ 55,000	\$ (11,246)	\$ 43,754	\$ 9,437	\$ 34,317
Tuition to county vocational school district - regular	737,891	-	737,891	689,533	48,358
Tuition to county vocational school district - special	118,950	11,246	130,196	130,196	-
Tuition to priv. school for the disabled w/i state	408,816	101,033	509,849	335,102	174,747
Tuition to priv. sch. disabled & other LEAs-spl, o/s state	-	50,167	50,167	50,167	-
Total	<u>1,320,657</u>	<u>151,200</u>	<u>1,471,857</u>	<u>1,214,435</u>	<u>257,422</u>
Undistributed expenditures - attendance & social work salaries	46,756	(24,123)	22,633	22,633	-
Total	<u>46,756</u>	<u>(24,123)</u>	<u>22,633</u>	<u>22,633</u>	<u>-</u>
Undistributed expenditures - health services					
Salaries	149,925	31,400	181,325	172,319	9,006
Purchased professional and technical services	28,525	-	28,525	17,951	10,574
Other purchased services	5,204	-	5,204	2,606	2,598
Supplies and materials	15,900	-	15,900	9,953	5,947
Other objects	385	-	385	234	151
Total	<u>199,939</u>	<u>31,400</u>	<u>231,339</u>	<u>203,063</u>	<u>28,276</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 71,967	\$ -	\$ 71,967	\$ 67,252	\$ 4,715
Purchased professional - educational services	45,700	(4,000)	41,700	37,930	3,770
Supplies and materials	500	-	500	71	429
Total	118,167	(4,000)	114,167	105,253	8,914
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	397,346	(2,255)	395,091	357,551	37,540
Purchased professional - educational services	-	60,450	60,450	43,768	16,682
Supplies and materials	1,000	(50)	950	205	745
Total	398,346	58,145	456,491	401,524	54,967
Undistributed expenditures - guidance					
Salaries of other professional staff	381,037	555	381,592	381,592	-
Salaries of secretarial and clerical assistants	101,770	-	101,770	101,770	-
Other salaries	20,000	2,474	22,474	22,474	-
Purchased professional - educational services	3,240	(2,474)	766	-	766
Other purchased professional & technical services	44,170	(2,182)	41,988	32,950	9,038
Other purchased services	5,500	1,400	6,900	6,329	571
Supplies and materials	3,000	-	3,000	388	2,612
Other objects	1,760	-	1,760	1,389	371
Total	560,477	(227)	560,250	546,892	13,358
Undistributed expenditures - child study teams					
Salaries of other professional staff	458,103	4,640	462,743	462,743	-
Salaries of secretarial and clerical assistants	41,524	-	41,524	41,524	-
Other salaries	12,000	(49)	11,951	11,951	-
Unused vacation payment to terminated/retired staff	-	15,501	15,501	15,501	-
Other purchased professional & technical services	5,000	(3,725)	1,275	1,275	-
Other purchased services	14,000	(13,881)	119	119	-
Supplies and materials	3,536	150	3,686	3,686	-
Other objects	1,000	(155)	845	845	-
Total	535,163	2,481	537,644	537,644	-
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	346,705	4,468	351,173	351,173	-
Salaries of other professional staff	27,452	(4,016)	23,436	23,436	-
Salaries of secretarial & clerical assist	50,885	-	50,885	50,885	-
Other purchased services	13,850	(452)	13,398	9,522	3,876
Supplies and materials	1,800	(185)	1,615	1,041	574
Other objects	4,100	185	4,285	4,285	-
Total	444,792	-	444,792	440,342	4,450
Undistributed expenditures - edu. media service/sch. library					
Salaries	171,133	2,011	173,144	173,144	-
Salaries of technology coordinators	415,205	(40,917)	374,288	313,780	60,508
Purchased professional and technical services	10,500	-	10,500	4,213	6,287
Other purchased services	4,000	(1,055)	2,945	418	2,527
Supplies and materials	32,175	-	32,175	29,764	2,411
Other objects	100	-	100	65	35
Total	633,113	(39,961)	593,152	521,384	71,768

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - instructional staff training services					
Salaries of other professional staff	\$ 3,200	\$ 8,002	\$ 11,202	\$ 11,202	\$ -
Purchased professional - educational services	2,400	-	2,400	745	1,655
Other purchased services	15,000	(4,557)	10,443	4,690	5,753
Supplies and materials	-	154	154	154	-
Total	20,600	3,599	24,199	16,791	7,408
Undistributed expend. - support service - general admin.					
Salaries	218,329	-	218,329	218,147	182
Legal services	30,000	5,000	35,000	33,011	1,989
Audit fees	29,000	650	29,650	29,650	-
Architectural/engineering services	5,000	(650)	4,350	22	4,328
Other purchased professional services	4,635	50	4,685	4,685	-
Communications/telephone	10,000	1,390	11,390	9,315	2,075
BOE other purchased services	4,000	-	4,000	3,222	778
Miscellaneous purch services	24,280	(5,000)	19,280	13,582	5,698
General supplies	8,110	-	8,110	7,808	302
BOE in-house training/meeting supplies	2,000	-	2,000	703	1,297
Miscellaneous expenditures	3,675	-	3,675	3,238	437
BOE membership dues and fees	10,850	-	10,850	9,074	1,776
Total	349,879	1,440	351,319	332,457	18,862
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	280,034	-	280,034	280,034	-
Salaries of secretarial and clerical assistants	101,770	24,123	125,893	125,892	1
Purchased professional and technical services	6,125	(5,000)	1,125	1,111	14
Other purchased services	2,095	-	2,095	12	2,083
Supplies and materials	18,250	5,000	23,250	15,934	7,316
Other objects	2,954	-	2,954	2,029	925
Total	411,228	24,123	435,351	425,012	10,339
Undistributed expenditures - central services					
Salaries	305,494	-	305,494	304,799	695
Purchased professional services	16,800	1,000	17,800	17,022	778
Purchased technical services	14,285	-	14,285	9,780	4,505
Miscellaneous purchased services	3,900	(1,000)	2,900	1,090	1,810
Supplies and materials	3,000	-	3,000	698	2,302
Interest on lease purchase agreements	54,099	-	54,099	54,098	1
Other objects	2,035	-	2,035	1,510	525
Total	399,613	-	399,613	388,997	10,616
Undistributed expenditures - admin. info. technology					
Salaries	-	39,961	39,961	39,961	-
Total	-	39,961	39,961	39,961	-
Undistributed expenditures - required maint. for school facilities					
Salaries	280,921	(852)	280,069	278,645	1,424
Cleaning, repair, and maintenance services	82,523	83,422	165,945	159,761	6,184
Lead testing in water	1,000	-	1,000	-	1,000
General supplies	34,500	(7,121)	27,379	11,518	15,861
Other objects	1,300	-	1,300	-	1,300
Total	400,244	75,449	475,693	449,924	25,769

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 417,125	\$ (72,629)	\$ 344,496	\$ 327,726	\$ 16,770
Purchased professional and technical services	19,450	1,586	21,036	18,371	2,665
Cleaning, repair, and maintenance service	55,400	2,654	58,054	55,560	2,494
Rental of land & bldg. other than lease purch agreement	4,900	(500)	4,400	1,366	3,034
Insurance	49,000	(4,084)	44,916	44,916	-
Miscellaneous purchased services	4,360	-	4,360	1,437	2,923
General supplies	67,741	50,633	118,374	88,197	30,177
Energy (natural gas)	500	-	500	134	366
Energy (electricity)	180,000	(32,657)	147,343	147,343	-
Energy (oil)	125,000	(46,200)	78,800	76,588	2,212
Other objects	1,600	1,200	2,800	2,529	271
Total	925,076	(99,997)	825,079	764,167	60,912
Undistributed expenditures - care and upkeep of grounds					
Salaries	129,705	1,552	131,257	131,201	56
Cleaning, repair, and maintenance service	12,000	(8,609)	3,391	3,391	-
General supplies	32,500	(9,689)	22,811	12,632	10,179
Total	174,205	(16,746)	157,459	147,224	10,235
Undistributed expenditures - security					
Purchased professional and technical services	13,872	-	13,872	11,009	2,863
Cleaning, repair, and maintenance service	5,000	-	5,000	390	4,610
General supplies	12,000	-	12,000	10,783	1,217
Total	30,872	-	30,872	22,182	8,690
Undistributed expenditures - student transportation service					
Contract service - aid in lieu pymts - non-public schools	12,000	3,770	15,770	6,490	9,280
Contract serv. - aid in lieu pymts - choice school students	8,000	-	8,000	3,329	4,671
Contr. service (oth. than between home & school) - vend.	128,630	(400)	128,230	81,788	46,442
Contract service (sp. ed. stds.) - joint agreements	30,000	-	30,000	-	30,000
Contract service (reg. students) - escs & ctsas	790,212	(9,490)	780,722	726,268	54,454
Contract service (spl. ed. students) - escs & ctsas	285,772	9,490	295,262	262,914	32,348
Total	1,254,614	3,370	1,257,984	1,080,789	177,195
Unallocated benefits - employee benefits					
Group insurance	1,000	-	1,000	-	1,000
Social Security contributions	270,000	(9,031)	260,969	248,526	12,443
Other retirement contributions - PERS	305,000	2,139	307,139	306,605	534
Other retirement contributions - regular	3,800	(2,139)	1,661	-	1,661
Workmen's compensation	113,000	11,672	124,672	124,672	-
Health benefits	2,566,660	(166,389)	2,400,271	2,230,347	169,924
Tuition reimbursement	51,119	2,014	53,133	53,133	-
Other employee benefits	243,920	(17,386)	226,534	221,851	4,683
Unused sick payment to terminated/retired staff	-	64,848	64,848	64,848	-
Total	3,554,499	(114,272)	3,440,227	3,249,982	190,245

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
On-behalf TPAF Pension contribution	\$ -	\$ -	\$ -	\$ 1,419,598	\$ (1,419,598)
On-behalf TPAF Postretirement medical benefits	-	-	-	526,645	(526,645)
On-behalf TPAF Long-term disability insurance	-	-	-	1,064	(1,064)
Reimbursed TPAF Social Security contribution	-	-	-	485,085	(485,085)
Total	-	-	-	2,432,392	(2,432,392)
Total undistributed expenditures	\$ 11,778,240	\$ 91,842	\$ 11,870,082	\$ 13,343,048	\$ (1,472,966)
Total current	\$ 18,545,815	\$ 59,400	\$ 18,605,215	\$ 19,929,953	\$ (1,324,738)
Capital outlay					
Equipment					
Grades 9-12	\$ -	\$ 30,241	\$ 30,241	\$ -	\$ 30,241
Vocational programs					
School-sponsored and other instructional programs	-	31,003	31,003	9,572	21,431
Undistributed					
Undistributed expenditures - admin. info. technology	9,665	40,467	50,132	22,903	27,229
Undistributed expend. - required maint. for school facilities	-	27,252	27,252	27,252	-
Undistributed expenditures - care and upkeep of grounds	-	24,158	24,158	-	24,158
Total equipment	9,665	153,121	162,786	59,727	103,059
Facilities acquisition and construction service					
Architectural/engineering services	2,350	-	2,350	-	2,350
Construction services	1,954	1	1,955	-	1,955
Lease purchase agreements – principal	482,084	-	482,084	482,083	1
Other objects	69,128	-	69,128	69,128	-
Assessment for debt service on SDA funding	26,981	-	26,981	26,981	-
Total facilities acquisition and construction service	582,497	1	582,498	578,192	4,306
Assets acquired under capital leases (non-budgeted)					
Undistributed					
Undistributed expenditures - admin. info. technology				350,106	
Total assets acquired under capital leases	-	-	-	350,106	-
Total capital outlay	\$ 592,162	\$ 153,122	\$ 745,284	\$ 988,025	\$ 107,365
Total expenditures	\$ 19,137,977	\$ 212,522	\$ 19,350,499	\$ 20,917,978	\$ (1,217,373)
Excess (deficiency) of revenues over (under) expenditures	\$ (297,171)	\$ (212,522)	\$ (509,693)	\$ 671,979	\$ 1,181,672
Other financing sources (uses)					
Operating transfer out					
Transfer to fiduciary fund - board contribution	-	(75,000)	(75,000)	(75,000)	-
Capital leases (non-budgeted)	-	-	-	350,106	350,106
Total other financing sources (uses)	-	(75,000)	(75,000)	275,106	350,106

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	\$ (297,171)	\$ (287,522)	\$ (584,693)	\$ 947,085	\$ 1,531,778
Fund balances, July 1	2,403,299	-	2,403,299	2,403,299	-
Fund balances, June 30	<u>\$ 2,106,128</u>	<u>\$ (287,522)</u>	<u>\$ 1,818,606</u>	<u>\$ 3,350,384</u>	<u>\$ 1,531,778</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (97,671)	\$ -	\$ (97,671)	\$ (97,671)	\$ -
Increase in capital reserve	-	840,329	840,329	840,329	-
Interest deposit to capital reserve	500	9,350	500	9,850	9,350
Increase in emergency reserve	-	55,231	55,231	55,231	-
Interest earned on emergency reserve	-	50	50	50	-
Increase in maintenance reserve	-	100,000	100,000	100,000	-
Interest earned on maintenance reserve	-	50	50	50	-
Withdrawal from maintenance reserve	-	27,252	27,252	27,252	-
Budgeted fund balance	(200,000)	(1,319,784)	(1,510,434)	11,994	1,522,428
Total	<u>\$ (297,171)</u>	<u>\$ (287,522)</u>	<u>\$ (584,693)</u>	<u>\$ 947,085</u>	<u>\$ 1,531,778</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 13,954	
Capital reserve				1,949,717	
Emergency reserve				250,000	
Maintenance reserve				200,598	
Committed fund balance					
Year-end encumbrances				189,934	
Assigned fund balance					
Designated for subsequent year's expenditures				124,081	
Unassigned fund balance				<u>622,100</u>	
Fund balance per budgetary basis				3,350,384	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(347,719)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 3,002,665</u>	

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Federal sources	\$ 227,277	\$ -	\$ 227,277	\$ 201,655	\$ (25,622)
Local sources	61,504	-	61,504	10,560	(50,944)
Total revenues	<u>\$ 288,781</u>	<u>\$ -</u>	<u>\$ 288,781</u>	<u>\$ 212,215</u>	<u>\$ (76,566)</u>
Expenditures					
Instruction					
Salaries	\$ 28,763	\$ (3,917)	\$ 24,846	\$ 10,692	\$ 14,154
Other purchased services	13,427	(927)	12,500	6,575	5,925
Supplies	8,254	3,000	11,254	5,935	5,319
Other objects	400	-	400	400	-
Total	<u>50,844</u>	<u>(1,844)</u>	<u>49,000</u>	<u>23,602</u>	<u>25,398</u>
Support services					
Tuition	159,795	-	159,795	159,795	-
Salaries	5,400	-	5,400	2,500	2,900
Employee benefits	1,500	2,330	3,830	-	3,830
Purchased professional & technical services	1,000	-	1,000	-	1,000
Other purchased services	67,518	(3,000)	64,518	23,818	40,700
Supplies	2,724	2,514	5,238	2,500	2,738
Total	<u>237,937</u>	<u>1,844</u>	<u>239,781</u>	<u>188,613</u>	<u>51,168</u>
Total expenditures	<u>\$ 288,781</u>	<u>\$ -</u>	<u>\$ 288,781</u>	<u>\$ 212,215</u>	<u>\$ 76,566</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2020

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 21,589,957	\$ 212,215
Donations of capital assets are not recognized for budgetary purposes but treated as revenues and additional expenditures for GAAP purposes	7,938	-
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances current year	-	(10,965)
Difference - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	383,379	-
State aid receivable current year	(347,719)	-
Total revenues (GAAP basis)	<u>\$ 21,633,555</u>	<u>\$ 201,250</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,917,978	\$ 212,215
Donations of capital assets are not recognized for budgetary purposes but treated as revenues and additional expenditures for GAAP purposes	7,938	-
Difference - 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:		
Outstanding encumbrances current year	-	(10,965)
Total expenditures (GAAP basis)	<u>\$ 20,925,916</u>	<u>\$ 201,250</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.0455595274%	0.0311568500%	0.0313398241%	0.0291500635%	0.0272854859%	0.0261730678%	0.025348854%	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 8,209,136	\$ 6,134,629	\$ 7,295,410	\$ 8,633,414	\$ 6,125,045	\$ 4,900,314	\$ 4,843,719	N/A	N/A
District's covered employee payroll	3,086,136	2,254,639	2,298,715	2,155,498	2,064,720	1,952,858	1,812,411	1,781,209	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	364.10%	266.87%	338.46%	418.14%	313.65%	270.38%	271.93%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of District's Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 443,160	\$ 309,910	\$ 295,818	\$ 260,260	\$ 258,965	\$ 234,582	\$ 215,767	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	(443,160)	(309,910)	(295,818)	(260,260)	(258,965)	(234,582)	(215,767)	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 3,086,136	\$ 2,254,639	\$ 2,298,715	\$ 2,155,498	\$ 2,064,720	\$ 1,952,858	\$ 1,812,411	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	14.36%	13.75%	12.87%	12.07%	12.54%	12.01%	11.90%	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	40,233,991	51,897,307	-	-	-	-	-	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ 40,233,991</u>	<u>\$ 51,897,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 6,937,116	\$ 9,161,360	N/A	\$ 8,709,653	\$ 8,039,439	\$ 7,739,908	\$ 7,825,831	\$ 7,379,913	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of District's Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,318,151	\$ 1,686,199	\$ 1,201,336	\$ 841,051	\$ 574,414	\$ 406,863	\$ 158,792	\$ 245,467	N/A	N/A
Contributions in relation to the contractually required contribution	(1,318,151)	(1,686,199)	(1,201,336)	(841,051)	(574,414)	(406,863)	(158,792)	(245,467)	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 6,937,116	\$ 9,161,360	N/A	\$ 8,709,653	\$ 8,039,439	\$ 7,739,908	\$ 7,825,831	\$ 7,379,913	N/A	N/A
Contributions as a percentage of covered employee payroll	19.00%	18.41%	N/A	9.66%	7.14%	5.26%	2.03%	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	30,726,411	34,245,173	39,447,139	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 30,726,411	\$ 34,245,173	\$ 39,447,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 11,415,999	N/A	\$ 10,865,151	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total other post employment employee benefits liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2020

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 4.86% in State fiscal year 2018 and 5.60% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal years 2018 and 2.75% in State fiscal year 2019.
- Note 3 - Changes in assumptions - PERS
The discount rate was 5.66% in State fiscal year 2018 and 6.28% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal year 2018 and 2.75% for State fiscal year 2019.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 3.87% in State fiscal year 2018 to 3.50% in State fiscal year 2019. The inflation rate was 2.50% for State fiscal year 2018 and 2019.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	IDEA Basic	ESSA Title IA	ESSA Title IIA	ESSA Title IV	CARES Emergency Relief	Local	Total
Revenues							
Federal sources	\$ 159,795	\$ 13,192	\$ 10,620	\$ 10,000	\$ 8,048	\$ -	\$ 201,655
Local sources	-	-	-	-	-	10,560	10,560
Total revenues	<u>\$ 159,795</u>	<u>\$ 13,192</u>	<u>\$ 10,620</u>	<u>\$ 10,000</u>	<u>\$ 8,048</u>	<u>\$ 10,560</u>	<u>\$ 212,215</u>
Expenditures							
Instruction							
Salaries	\$ -	\$ 10,692	\$ -	\$ -	\$ -	\$ -	\$ 10,692
Other purchased services	-	-	-	-	-	6,575	6,575
Supplies	-	-	-	5,000	-	935	5,935
Other objects	-	-	-	-	-	400	400
Total	<u>-</u>	<u>10,692</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>7,910</u>	<u>23,602</u>
Support services							
Tuition	159,795	-	-	-	-	-	159,795
Salaries	-	-	-	-	-	2,500	2,500
Other purchased services	-	-	10,620	5,000	8,048	150	23,818
Supplies	-	2,500	-	-	-	-	2,500
Total	<u>159,795</u>	<u>2,500</u>	<u>10,620</u>	<u>5,000</u>	<u>8,048</u>	<u>2,650</u>	<u>188,613</u>
Total expenditures	<u>\$ 159,795</u>	<u>\$ 13,192</u>	<u>\$ 10,620</u>	<u>\$ 10,000</u>	<u>\$ 8,048</u>	<u>\$ 10,560</u>	<u>\$ 212,215</u>

See independent auditors' report.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2020

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/2020
			Prior Years	Current Year	
Chemistry Lab Renovations	2019	\$ 1,141,735	\$ 147,305	\$ 994,430	\$ -
Roof Replacement/Restoration	2019	<u>1,358,265</u>	<u>13,750</u>	<u>763,903</u>	<u>580,612</u>
		<u>\$ 2,500,000</u>	<u>\$ 161,055</u>	<u>\$ 1,758,333</u>	<u>\$ 580,612</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2020

Revenues	
Local sources	
Capital lease purchase proceeds	\$ -
Total revenues	<u>-</u>
Expenditures and other financing uses	
Architectural/Engineering services	20,884
Construction services	1,731,097
Supplies	<u>6,352</u>
Total expenditures	<u>1,758,333</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures & other financing uses	(1,758,333)
Fund balance - beginning	<u>2,338,945</u>
Fund balance - ending	<u>\$ 580,612</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Chemistry Lab Renovations
For the Fiscal Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Capital lease purchase proceeds	\$ 1,129,259	\$ 12,476	\$ 1,141,735	\$ 1,141,735
Total revenues	<u>1,129,259</u>	<u>12,476</u>	<u>1,141,735</u>	<u>1,141,735</u>
Expenditures and other financing uses				
Legal services	9,000	-	9,000	9,000
Architectural/Engineering services	62,539	20,884	83,423	83,423
Construction services	73,516	967,194	1,040,710	1,040,710
Other purchased services	2,250	-	2,250	2,250
Supplies	-	6,352	6,352	6,352
Total expenditures	<u>147,305</u>	<u>994,430</u>	<u>1,141,735</u>	<u>1,141,735</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 981,954</u>	<u>\$ (981,954)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project number	N/A
Authorization date	2019
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 1,129,259
Additional authorized cost	12,476
Revised authorized cost	1,141,735
Percentage completion	100.00%

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Roof Replacement/Restoration
For the Fiscal Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Capital lease purchase proceeds	\$ 1,370,741	\$ (12,476)	\$ 1,358,265	\$ 1,358,265
Total revenues	<u>1,370,741</u>	<u>(12,476)</u>	<u>1,358,265</u>	<u>1,358,265</u>
Expenditures and other financing uses				
Legal services	11,000	-	11,000	11,000
Construction services	-	763,903	763,903	1,344,515
Other purchased services	2,750	-	2,750	2,750
Total expenditures	<u>13,750</u>	<u>763,903</u>	<u>777,653</u>	<u>1,358,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,356,991</u>	<u>\$ (776,379)</u>	<u>\$ 580,612</u>	<u>\$ -</u>

Additional Project Information

Project number	N/A
Authorization date	2019
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 1,370,741
Additional authorized cost	(12,476)
Revised authorized cost	1,358,265
Percentage completion	57.25%

See independent auditors' report.

PROPRIETARY FUND

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

See Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets					
Cash and cash equivalents	\$ 218,859	\$ 26,880	\$ 102,447	\$ 272,955	\$ 621,141
Total assets	\$ 218,859	\$ 26,880	\$ 102,447	\$ 272,955	\$ 621,141
Liabilities					
Payroll deductions and withholdings	\$ -	\$ -	\$ -	\$ 2,829	\$ 2,829
Summer Pay	-	-	-	256,638	256,638
Flexible Spending	-	-	-	8,488	8,488
Due to students groups	-	-	99,037	-	99,037
Due to other funds	-	-	3,410	5,000	8,410
Total liabilities	-	-	102,447	272,955	375,402
Net position					
Held in trust for unemployment claims & other purposes	\$ 218,859	\$ 26,880	\$ -	\$ -	\$ 245,739

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
Additions			
Contributions			
Employee withholdings	\$ 21,541	\$ -	\$ 21,541
Board Contribution	75,000	-	75,000
Donations	-	4,423	4,423
Investment earnings - interest	1,262	-	1,262
Total additions	<u>97,803</u>	<u>4,423</u>	<u>102,226</u>
Deductions			
Scholarship awards	-	6,000	6,000
Unemployment claims	17,033	-	17,033
Total deductions	<u>17,033</u>	<u>6,000</u>	<u>23,033</u>
Change in net position	80,770	(1,577)	79,193
Net position, beginning of the year	<u>138,089</u>	<u>28,457</u>	<u>166,546</u>
Net position, end of the year	<u>\$ 218,859</u>	<u>\$ 26,880</u>	<u>\$ 245,739</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents				
Student activities	\$ 82,103	\$ 119,586	\$ 109,820	\$ 91,869
Athletics	7,512	50,637	47,571	10,578
Total assets	\$ 89,615	\$ 170,223	\$ 157,391	\$ 102,447
Liabilities				
Due to student groups	\$ 89,615	\$ 166,813	\$ 157,391	\$ 99,037
Due to other funds	-	3,410	-	3,410
Total liabilities	\$ 89,615	\$ 170,223	\$ 157,391	\$ 102,447

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 300,902	\$ 14,591,901	\$ 14,619,848	\$ 272,955
Total assets	\$ 300,902	\$ 14,591,901	\$ 14,619,848	\$ 272,955
Liabilities				
Payroll deductions and withholdings	\$ 286	\$ 6,095,036	\$ 6,092,493	\$ 2,829
Net payroll	-	8,186,761	8,186,761	-
Summer pay	282,480	256,638	282,480	256,638
Flexible spending	6,126	31,925	29,563	8,488
Due to other funds	12,010	21,541	28,551	5,000
Total liabilities	\$ 300,902	\$ 14,591,901	\$ 14,619,848	\$ 272,955

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases - General Fund
For the Fiscal Year Ended June 30, 2020

Description	Interest Rate	Amount of Original Issue	Balance 07/01/19	Issued	Retired	Balance 06/30/20
Technology & maintenance equipment	1.57%	\$ 103,497	\$ 34,574	\$ -	\$ 34,574	\$ -
Vehicles, technology & other equipment	3.05%	231,053	172,429	-	172,429	-
Vehicles & technology	2.16%	122,692	-	122,692	122,692	-
Vehicles & technology	1.73%	227,414	-	227,414	-	227,414
Equipment lease purchase	2.75%	2,500,000	2,500,000	-	482,083	2,017,917
			<u>\$ 2,707,003</u>	<u>\$ 350,106</u>	<u>\$ 811,778</u>	<u>\$ 2,245,331</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases - Proprietary Fund
For the Fiscal Year Ended June 30, 2020

Description	Interest Rate	Amount of Original Issue	Balance 07/01/19	Issued	Retired	Balance 06/30/20
Eight Thomas 54-passenger buses	1.66%	\$ 708,717	\$ 144,897	\$ -	\$ 144,897	\$ -
Various transportation vehicles	1.64%	536,484	216,951	-	107,591	109,360
Vehicles	1.57%	586,486	195,923	-	195,923	-
Vehicles & technology	1.73%	502,299	-	502,299	-	502,299
Vehicles & technology	2.16%	523,058	-	614,322	133,985	480,337
Vehicles, technology & other equipment	3.05%	508,317	379,345	116,664	122,686	373,323
			<u>\$ 937,116</u>	<u>\$ 1,233,285</u>	<u>\$ 705,082</u>	<u>\$ 1,465,319</u>

See independent auditors' report.

STATISTICAL SECTION

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Statistical Section J Series

Contents	Page
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.	

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government activities										
Net investment in capital assets	\$ 8,112,333	\$ 8,326,584	\$ 9,145,599	\$ 9,901,929	\$ 9,083,412	\$ 9,474,220	\$ 11,226,221	\$ 13,292,397	\$ 12,487,848	\$ 13,353,577
Restricted	1,018,760	1,079,940	1,233,893	878,685	861,504	1,672,418	1,265,165	2,963,008	1,436,011	2,980,927
Unrestricted	(534,523)	(543,071)	(256,564)	(7,386,948)	(3,786,616)	(5,418,500)	(6,291,751)	(7,596,502)	(4,355,100)	(5,860,368)
Total governmental activities	\$ 8,596,570	\$ 8,863,453	\$ 10,122,928	\$ 3,393,666	\$ 6,158,300	\$ 5,728,138	\$ 6,199,635	\$ 8,658,903	\$ 9,568,759	\$ 10,474,136
Business-type activities										
Net investment in capital assets	\$ 994,299	\$ 829,289	\$ 763,643	\$ 664,639	\$ 439,400	\$ 1,607,011	\$ 1,421,677	\$ 1,480,266	\$ 3,003,563	\$ 1,730,672
Unrestricted	627,333	780,935	719,834	868,033	(1,052,138)	(1,437,669)	(781,490)	(1,045,922)	(2,248,636)	(2,776,378)
Total business-type activities	\$ 1,621,632	\$ 1,610,224	\$ 1,483,477	\$ 1,532,672	\$ (612,738)	\$ 169,342	\$ 640,187	\$ 434,344	\$ 754,927	\$ (1,045,706)
District-wide										
Net investment in capital assets	\$ 9,106,632	\$ 9,155,873	\$ 9,909,242	\$ 10,566,568	\$ 9,522,812	\$ 11,081,231	\$ 12,647,898	\$ 14,772,663	\$ 15,491,411	\$ 15,084,249
Restricted	1,018,760	1,079,940	1,233,893	878,685	861,504	1,672,418	1,265,165	2,963,008	1,436,011	2,980,927
Unrestricted	92,810	237,864	463,270	(6,518,915)	(4,838,754)	(6,856,169)	(7,073,241)	(8,642,424)	(6,603,736)	(8,636,746)
Total district-wide	\$ 10,218,202	\$ 10,473,677	\$ 11,606,405	\$ 4,926,338	\$ 5,545,562	\$ 5,897,480	\$ 6,839,822	\$ 9,093,247	\$ 10,323,686	\$ 9,428,430

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 5,921,348	\$ 6,567,284	\$ 6,562,855	\$ 6,783,272	\$ 7,994,360	\$ 8,084,175	\$ 8,920,184	\$ 8,703,370	\$ 8,713,124	\$ 8,928,631
Special education	1,991,378	1,996,335	1,911,556	1,544,142	1,521,071	1,891,749	2,327,301	2,238,108	2,040,912	1,999,675
Other special education	93,999	17,721	3,557	28,475	24,997	40,704	1,098	356	2,265	93,540
Other instruction	1,406,839	1,327,057	1,330,447	1,414,072	1,441,785	1,032,906	1,115,421	1,110,261	1,102,703	1,404,372
Support services										
Tuition	864,066	1,020,360	1,061,429	940,653	1,094,071	954,593	1,198,946	1,336,165	1,306,571	1,374,230
Student & instruction related services	2,589,517	2,801,731	2,849,424	3,570,980	4,143,236	4,627,236	5,047,114	5,671,611	5,204,918	4,899,186
General & business administrative services	1,157,946	1,174,587	1,164,906	1,191,594	1,349,198	1,267,290	1,398,733	1,389,733	1,052,704	1,483,117
School administration	532,398	537,653	599,512	599,975	670,034	724,417	812,418	838,368	767,067	517,206
Plant operations & maintenance	1,641,870	1,654,596	1,744,118	1,917,835	1,659,974	2,099,057	2,199,965	1,340,044	1,955,738	1,680,396
Pupil transportation	1,080,191	1,166,677	1,218,965	1,216,043	1,267,740	1,226,349	1,333,459	1,287,053	1,247,169	1,080,789
Transfer to charter schools										
Capital outlay	-	-	-	-	-	-	-	-	866,634	-
Interest on long-term debt	189,607	127,930	133,563	123,357	130,697	35,282	18,805	548	6,220	42,411
Total governmental activities expenses	17,469,159	18,391,931	18,580,332	19,330,398	21,297,163	21,983,758	24,373,444	23,915,617	24,266,025	23,503,553
Business-type activities										
Transportation	2,777,759	2,842,781	2,955,585	3,054,696	3,470,988	3,732,371	3,572,686	4,504,774	3,822,210	4,760,412
Food services	355,819	380,362	435,304	452,199	402,611	376,867	347,258	320,083	320,632	280,930
Summer enrichment	-	33,570	139,281	160,574	266,755	528,445	313,999	275,664	246,628	4,150
Technology services	-	33,570	139,281	160,574	266,755	528,445	313,999	275,664	246,628	98,785
Administrative services	-	33,570	139,281	160,574	266,755	528,445	313,999	275,664	246,628	114,927
Total business-type activities	3,133,578	3,323,853	3,808,732	3,988,617	4,673,864	5,694,573	4,861,941	5,651,849	4,882,726	5,259,204
Total district expenses	\$ 20,602,737	\$ 21,715,784	\$ 22,389,064	\$ 23,319,015	\$ 25,971,027	\$ 27,678,331	\$ 29,235,385	\$ 29,567,466	\$ 29,148,751	\$ 28,762,757

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues										
Governmental activities										
Charges for services	\$ 111,260	\$ 217,384	\$ 192,456	\$ 225,954	\$ 366,500	\$ 123,489	\$ 154,467	\$ 44,857	\$ 34,421	\$ 245,901
Operating grants & contributions	525,359	356,282	227,873	214,024	229,134	4,792,227	6,201,452	7,249,654	5,641,043	201,250
Capital grants & contributions	-	-	-	-	110,735	-	-	527,542	1,022,889	-
Total governmental activities	636,619	573,666	420,329	439,978	706,369	4,915,716	6,355,919	7,822,053	6,698,353	447,151
Business-type activities										
Charges for services										
Transportation	2,593,507	2,846,131	2,862,260	3,134,672	3,682,898	3,865,697	4,397,780	4,342,647	4,164,486	4,060,287
Food services	318,602	319,010	344,117	339,217	335,139	300,555	284,217	269,641	264,304	203,191
Summer enrichment	-	-	-	-	-	-	-	-	-	4,150
Technology services	-	33,570	139,281	176,483	265,847	215,110	222,500	229,352	236,550	244,724
Administrative services	-	-	-	-	-	-	-	-	-	116,649
Operating grants & contributions	39,158	43,901	46,872	57,465	57,449	41,137	45,372	45,871	41,610	62,900
Capital grants & contributions	-	-	-	-	-	-	-	6,694	-	-
Total business-type activities	2,951,267	3,242,612	3,392,530	3,707,837	4,341,333	4,422,499	4,949,869	4,894,205	4,706,950	4,691,901
Total district-program	\$ 3,587,886	\$ 3,816,278	\$ 3,812,859	\$ 4,147,815	\$ 5,047,702	\$ 9,338,215	\$ 11,305,788	\$ 12,716,258	\$ 11,405,303	\$ 5,139,052
Net (expense) revenues										
Governmental activities	\$ (16,832,540)	\$ (17,818,265)	\$ (18,160,003)	\$ (18,890,420)	\$ (20,590,794)	\$ (17,068,042)	\$ (18,017,525)	\$ (16,093,564)	\$ (17,567,672)	\$ (23,056,402)
Business-type activities	(182,311)	(81,241)	(416,202)	(280,780)	(332,531)	(1,272,074)	87,928	(757,644)	(175,776)	(567,303)
Total district-wide net expenses	\$ (17,014,851)	\$ (17,899,506)	\$ (18,576,205)	\$ (19,171,200)	\$ (20,923,325)	\$ (18,340,116)	\$ (17,929,597)	\$ (16,851,208)	\$ (17,743,448)	\$ (23,623,705)
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 12,658,311	\$ 12,636,477	\$ 12,889,207	\$ 13,134,122	\$ 13,525,820	\$ 13,783,832	\$ 14,031,941	\$ 14,031,941	\$ 14,197,385	\$ 15,043,555
Taxes levied for debt service	162,305	553,693	593,430	555,964	578,050	578,350	578,200	577,600	551,200	-
Unrestricted grants & contributions	4,551,441	5,084,389	5,415,942	5,406,445	7,415,191	3,291,371	3,293,049	3,296,720	3,252,928	9,289,218
Investment earnings	13,662	3,879	3,908	3,504	9,677	12,612	4,560	9,097	11,306	49,980
Rent and royalties	-	-	-	-	-	-	373,500	510,440	306,694	-
Miscellaneous income	152,531	31,311	134,520	59,847	63,164	42,871	69,642	127,034	158,015	63,966
Special item										
Lease proceeds utilized	-	-	-	-	-	-	-	-	-	(1,758,333)
Payment to bond agent	-	(114,463)	-	-	-	-	-	-	-	-
FEMA proceeds for storm damage	-	-	489,480	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(2,595)	(10,138)	(13,650)	(52,734)	(360)	-	-	-	-	-
Transfers	(350,052)	(100,000)	-	-	-	-	(8,013)	-	-	-
Total governmental activities	17,185,603	18,085,148	19,512,837	19,107,148	21,591,542	17,709,036	18,342,879	18,552,832	18,477,528	22,688,386

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 126	\$ 122	\$ 162	\$ 473	\$ 597	\$ 375
Miscellaneous income	24	62	1,773	4,515	1,385	22,023	-	-	2,333	19,406
Transfer in (out)	-	-	-	-	-	-	8,013	-	-	-
Disposal of capital assets	41,800	2,631	9,120	4,312	1,281	-	-	-	-	-
Total business-type activities	<u>41,824</u>	<u>2,693</u>	<u>10,893</u>	<u>8,827</u>	<u>2,792</u>	<u>22,145</u>	<u>8,175</u>	<u>473</u>	<u>2,930</u>	<u>19,781</u>
Total district-wide	<u>\$ 17,227,427</u>	<u>\$ 18,087,841</u>	<u>\$ 19,523,730</u>	<u>\$ 19,115,975</u>	<u>\$ 21,594,334</u>	<u>\$ 17,731,181</u>	<u>\$ 18,351,054</u>	<u>\$ 18,553,305</u>	<u>\$ 18,480,458</u>	<u>\$ 22,708,167</u>
Change in net position										
Governmental activities	\$ 353,063	\$ 266,883	\$ 1,352,834	\$ 216,728	\$ 1,000,748	\$ 640,994	\$ 325,354	\$ 2,459,268	\$ 909,856	\$ (368,016)
Business-type activities	(140,487)	(78,548)	(405,309)	(271,953)	(329,739)	(1,249,929)	96,103	(757,171)	(172,846)	(547,522)
Total district	<u>\$ 212,576</u>	<u>\$ 188,335</u>	<u>\$ 947,525</u>	<u>\$ (55,225)</u>	<u>\$ 671,009</u>	<u>\$ (608,935)</u>	<u>\$ 421,457</u>	<u>\$ 1,702,097</u>	<u>\$ 737,010</u>	<u>\$ (915,538)</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Restricted	\$ 979,338	\$ 1,141,513	\$ 1,274,130	\$ 878,685	\$ 861,504	\$ 1,672,418	\$ 1,265,165	\$ 2,963,008	\$ 1,436,011	\$ 2,414,269
Committed	159,544	315,447	474,242	126,340	605,112	77,435	294,325	286,125	97,671	189,934
Assigned	115,916	100,000	137,427	300,000	250,000	225,000	406,180	200,000	200,000	124,081
Unassigned	43,618	16,407	79,342	239,521	167,434	47,594	111,075	166,547	286,238	274,381
Total general fund	<u>\$ 1,298,416</u>	<u>\$ 1,573,367</u>	<u>\$ 1,965,141</u>	<u>\$ 1,544,546</u>	<u>\$ 1,884,050</u>	<u>\$ 2,022,447</u>	<u>\$ 2,076,745</u>	<u>\$ 3,615,680</u>	<u>\$ 2,019,920</u>	<u>\$ 3,002,665</u>
All other governmental funds										
Restricted										
Capital projects fund	\$ -	\$ -	\$ -	\$ -	\$ 1,758,945	\$ 485,926	\$ 163,388	\$ -	\$ 2,338,945	\$ 580,612
Assigned										
Debt service fund	39,422	-	21,336	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(696,217)	-	-
Total all other governmental funds	<u>\$ 39,422</u>	<u>\$ -</u>	<u>\$ 21,336</u>	<u>\$ -</u>	<u>\$ 1,758,945</u>	<u>\$ 485,926</u>	<u>\$ 163,388</u>	<u>\$ (696,217)</u>	<u>\$ 2,338,945</u>	<u>\$ 580,612</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 12,820,616	\$ 13,190,170	\$ 13,482,637	\$ 13,690,086	\$ 14,103,870	\$ 14,362,182	\$ 14,610,141	\$ 14,609,541	\$ 14,748,585	\$ 15,043,555
Tuition charges										
Individuals	32,083	36,100	33,380	61,791	187,493	12,735	12,735	5,514	-	-
Other LEA's within the state	-	-	-	-	-	110,754	141,732	39,343	34,421	54,411
Interest earnings	13,662	3,879	3,908	3,504	9,677	914	4,560	9,097	3,890	49,980
Rents and royalties	-	-	-	-	-	-	373,500	510,440	306,694	191,490
Miscellaneous	234,645	33,855	160,566	62,541	72,663	63,997	211,110	131,477	226,524	68,951
State sources	4,551,441	4,936,247	5,415,942	5,406,445	5,714,234	5,820,700	6,025,352	6,867,322	7,571,821	6,230,153
Federal sources	474,221	500,523	209,843	210,339	217,892	210,187	208,667	202,974	212,373	196,265
Total revenues	18,126,668	18,700,774	19,306,276	19,434,706	20,305,829	20,581,469	21,587,797	22,375,708	23,104,308	21,834,805
Expenditures										
Instruction										
Regular instruction	4,181,001	4,502,117	4,595,524	4,736,072	4,932,664	4,907,939	4,587,826	4,430,603	4,543,125	4,609,022
Special education instruction	1,301,265	1,324,608	1,300,227	1,039,553	876,297	930,532	1,021,182	1,002,289	956,904	910,242
Other special instruction	56,642	1,202	1,232	7,800	5,000	-	1,098	356	2,265	31,895
Other instruction	974,219	909,491	936,167	993,760	1,009,555	1,001,801	1,056,091	1,053,392	1,094,785	1,035,746
Support services										
Tuition	676,314	827,038	874,973	760,449	909,045	954,593	1,198,946	1,336,165	1,306,571	1,214,435
Student & instructional related services	1,678,011	1,807,074	1,986,978	2,440,575	2,484,432	2,581,083	2,432,479	2,764,760	2,808,608	2,795,526
General administration	423,540	491,409	497,262	498,010	491,957	420,944	484,527	429,481	339,764	332,458
School administration services	382,939	372,540	417,994	414,962	412,906	419,574	429,123	430,419	424,994	388,997
Central services	300,959	308,711	323,212	353,988	355,174	344,734	340,328	366,196	349,072	425,011
Administration info technology	133,569	49,241	57,106	63,656	112,352	196,203	138,410	65,239	-	39,961
Plant operations & maintenance	1,368,422	1,373,582	1,467,139	1,619,068	1,341,466	1,547,590	1,477,869	1,426,972	1,498,648	1,383,497
Pupil transportation	1,068,736	1,161,492	1,212,426	1,216,358	1,260,591	1,180,593	1,267,395	1,223,131	1,199,273	1,080,789
Employee benefits	2,851,246	3,000,071	2,994,206	3,036,763	2,832,695	2,935,287	2,745,505	2,979,985	3,309,925	3,249,982
On-behalf TPAF Pension & Social Security contributions	906,187	1,077,768	1,077,768	1,178,883	1,402,196	1,603,225	1,830,551	2,073,221	2,407,939	2,432,392
Capital outlay	250,493	189,844	813,484	887,712	167,164	530,890	545,367	546,135	2,864,506	968,982
Special revenue funds	525,359	356,282	227,873	214,024	229,134	309,826	281,414	262,746	280,755	201,250
Capital projects	-	72,356	-	-	276,839	1,162,192	1,431,713	831,185	457,625	1,758,333
Debt service										
Principal	430,000	445,000	480,000	475,000	792,212	505,000	520,000	535,000	530,000	-
Interest & other charges	196,111	167,775	119,075	129,281	115,031	73,350	58,200	42,600	21,200	26,981
Total expenditures	17,705,013	18,437,601	19,382,646	20,065,914	20,006,710	21,605,356	21,848,024	21,799,875	24,395,959	22,885,499

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over (under) expenditures	\$ 421,655	\$ 263,173	\$ (76,370)	\$ (631,208)	\$ 299,119	\$ (1,023,887)	\$ (260,227)	\$ 575,833	\$ (1,291,651)	\$ (1,050,694)
Other financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	189,277	1,799,330	-	-	103,497	2,731,053	350,106
Bond proceeds	-	3,075,000	-	-	-	-	-	-	-	-
Premium on sale of bonds	-	245,819	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(3,248,463)	-	-	-	-	-	-	-	-
Special item										
FEMA proceeds for storm damage	-	-	489,480	-	-	-	-	-	-	-
Transfers out	(350,052)	(100,000)	-	-	-	-	(8,013)	-	-	(75,000)
Total other financing sources (uses)	(350,052)	(27,644)	489,480	189,277	1,799,330	-	(8,013)	103,497	2,731,053	275,106
Net change in fund balances	\$ 71,603	\$ 235,529	\$ 413,110	\$ (441,931)	\$ 2,098,449	\$ (1,023,887)	\$ (268,240)	\$ 679,330	\$ 1,439,402	\$ (775,588)
Debt service as a percentage of non-capital expenditures	3.72%	3.49%	3.33%	3.25%	4.86%	2.99%	3.00%	2.91%	2.69%	0.13%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay.

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tuition	\$ 45,268	\$ 35,241	\$ 21,554	\$ 51,689	\$ 107,316	\$ 123,489	\$ 154,467	\$ 44,857	\$ 34,421	\$ 54,411
Interest income	669	560	538	4,996	5,384	12,239	4,560	52,119	71,621	49,980
Rental income	-	-	-	-	-	-	373,500	510,440	306,694	191,490
Miscellaneous	24,385	8,739	10,859	32,826	34,248	43,103	69,642	84,012	90,284	63,966
Annual totals	\$ 70,322	\$ 44,540	\$ 32,951	\$ 89,511	\$ 146,948	\$ 178,831	\$ 602,169	\$ 691,428	\$ 503,020	\$ 359,847

Source: District Records

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
All Constituent Districts Combined
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 58,521,900	\$ 52,832,600	\$ 50,270,900	\$ 48,539,200	\$ 40,527,200	\$ 43,176,450	\$ 45,365,850	\$ 43,284,400	\$ 40,664,400	\$ 39,382,100
Residential	1,934,002,200	1,943,464,700	1,930,780,900	1,921,569,100	1,721,382,800	1,717,737,499	1,736,142,299	1,735,578,170	1,740,364,370	1,747,216,166
Farm regular	310,206,800	311,591,200	314,133,600	315,570,700	288,474,400	290,816,001	281,884,100	285,582,500	284,797,700	289,095,400
Q farm	12,444,181	12,438,433	12,448,351	12,379,332	12,541,189	12,447,869	12,189,659	12,052,409	12,343,633	12,315,130
Commercial	111,884,758	112,262,958	111,870,858	112,145,458	109,316,181	107,749,581	106,697,781	107,014,281	107,034,681	106,679,181
Industrial	32,080,250	31,626,150	30,745,250	29,245,250	27,167,250	27,167,250	26,708,050	25,924,558	25,924,550	23,485,550
Apartment	12,131,400	12,100,800	12,100,800	12,100,800	11,568,800	11,230,600	11,230,600	11,230,600	11,204,900	11,266,800
Total assessed value	2,471,271,489	2,476,316,841	2,462,350,659	2,451,549,840	2,210,977,820	2,210,325,250	2,220,218,339	2,220,666,918	2,222,334,234	2,229,440,327
Public utilities (a)	6,817,385	6,628,715	6,739,778	5,973,226	3,963,242	4,205,446	4,005,009	3,972,552	3,678,588	1,479,803
Net valuation taxable	\$ 2,478,088,874	\$ 2,482,945,556	\$ 2,469,090,437	\$ 2,457,523,066	\$ 2,214,941,062	\$ 2,214,530,696	\$ 2,224,223,348	\$ 2,224,639,470	\$ 2,226,012,822	\$ 2,230,920,130
Estimated actual county equalized value	\$ 2,760,395,226	\$ 2,646,720,117	\$ 2,536,300,241	\$ 2,400,491,067	\$ 2,325,388,669	\$ 2,323,841,661	\$ 2,353,308,162	\$ 2,341,965,202	\$ 2,384,876,726	\$ 2,398,131,116
Percentage of net valuation to estimated actual equalized value	89.77%	93.81%	97.35%	102.38%	95.25%	95.30%	94.51%	94.99%	93.34%	93.03%

Source: Municipal Tax Assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Township of Alexandria
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 19,873,200	\$ 14,932,700	\$ 13,406,100	\$ 12,754,400	\$ 10,448,300	\$ 9,380,000	\$ 9,316,700	\$ 8,131,900	\$ 6,531,200	\$ 5,894,600
Residential	661,048,700	670,392,500	661,932,700	654,129,600	569,320,900	567,628,200	576,623,900	576,752,800	578,309,600	581,479,900
Farm regular	120,545,600	121,687,600	122,866,700	123,550,900	106,917,400	108,879,000	104,491,000	107,236,400	106,986,600	107,516,500
Q farm	3,957,181	4,037,633	4,082,151	4,052,732	4,235,179	4,272,779	4,172,379	4,149,679	4,268,903	4,352,200
Commercial	21,720,188	21,752,488	21,045,588	20,957,488	19,100,800	18,850,800	18,850,800	18,905,200	18,783,800	18,783,800
Industrial	2,534,800	2,534,800	2,534,800	1,034,800	836,200	836,200	836,200	836,200	836,200	836,200
Apartment	418,900	418,900	418,900	418,900	230,400	230,400	230,400	230,400	228,100	228,100
Total assessed value	\$ 830,098,569	\$ 835,756,621	\$ 826,286,939	\$ 816,898,820	\$ 711,089,179	\$ 710,077,379	\$ 714,521,379	\$ 716,242,579	\$ 715,944,403	\$ 719,091,300
Public utilities (a)	1,960,839	2,175,745	2,293,602	2,109,187	178,774	165,764	168,946	168,184	169,385	169,228
Net valuation taxable	\$ 832,059,408	\$ 837,932,366	\$ 828,580,541	\$ 819,008,007	\$ 711,267,953	\$ 710,243,143	\$ 714,690,325	\$ 716,410,763	\$ 716,113,788	\$ 719,260,528
Estimated actual county equalized value	\$ 900,393,499	\$ 884,510,905	\$ 855,451,114	\$ 802,261,594	\$ 777,229,047	\$ 770,673,063	\$ 788,545,734	\$ 778,896,341	\$ 784,892,449	\$ 787,971,656
Percentage of net valuation to estimated actual equalized value	92.41%	94.73%	96.86%	102.09%	91.51%	92.16%	90.63%	91.98%	91.24%	91.28%
Total direct school tax rates (b)	\$ 0.530	\$ 0.520	\$ 0.570	\$ 0.590	\$ 0.700	\$ 0.750	\$ 0.710	\$ 0.680	\$ 0.670	\$ 0.705

*

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Borough of Frenchtown
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 2,505,100	\$ 2,505,100	\$ 2,505,100	\$ 2,505,100	\$ 2,505,100	\$ 2,490,600	\$ 4,480,500	\$ 4,261,200	\$ 3,636,200	\$ 2,850,200
Residential	109,384,700	108,678,000	108,976,400	108,741,700	109,474,900	109,543,700	110,307,000	110,497,100	111,659,800	111,554,600
Farm regular	898,600	898,600	898,600	898,600	898,600	898,600	449,600	449,600	788,600	788,600
Q farm	14,700	14,700	14,700	14,700	14,700	14,700	11,200	11,200	27,100	27,000
Commercial	26,861,900	26,785,700	26,737,800	26,737,800	26,449,600	26,369,600	26,503,300	26,563,300	26,463,000	24,897,200
Industrial	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	3,726,350	1,492,550
Apartment	6,045,500	6,045,500	6,045,500	6,045,500	5,682,600	5,682,600	5,682,600	5,682,600	5,699,900	5,699,900
Total assessed value	149,436,850	148,653,950	148,904,450	148,669,750	148,751,850	148,726,150	151,160,550	151,191,350	152,000,950	147,310,050
Public utilities (a)	889,485	725,240	592,657	489,679	594,036	693,169	644,203	648,614	648,614	-
Net valuation taxable	\$ 150,326,335	\$ 149,379,190	\$ 149,497,107	\$ 149,159,429	\$ 149,345,886	\$ 149,419,319	\$ 151,804,753	\$ 151,839,964	\$ 152,649,564	\$ 147,310,050
Estimated actual county equalized value	\$ 177,418,076	\$ 171,957,166	\$ 166,644,863	\$ 159,392,422	\$ 152,424,868	\$ 164,522,483	\$ 177,044,431	\$ 166,893,728	\$ 178,506,872	\$ 168,123,773
Percentage of net valuation to estimated actual equalized value	84.73%	86.87%	89.71%	93.58%	97.98%	90.82%	85.74%	90.98%	85.51%	87.62%
Total direct school tax rates (b)	\$ 0.470	\$ 0.440	\$ 0.480	\$ 0.520	\$ 0.570	\$ 0.630	\$ 0.700	\$ 0.660	\$ 0.650	\$ 0.682

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Township of Holland
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 13,623,600	\$ 12,898,800	\$ 11,043,000	\$ 10,255,300	\$ 6,480,600	\$ 6,975,500	\$ 7,439,600	\$ 8,046,300	\$ 7,665,900	\$ 9,831,500
Residential	646,506,300	646,373,000	646,768,800	643,244,500	525,191,400	524,687,600	526,884,100	527,053,100	524,938,100	526,398,500
Farm regular	75,961,400	75,820,600	74,547,600	75,823,800	65,474,000	65,808,400	64,633,400	62,836,000	64,907,400	63,918,100
Q farm	2,588,800	2,555,100	2,519,600	2,579,300	2,645,310	2,658,190	2,602,380	2,569,630	2,733,430	2,633,930
Commercial	16,302,400	16,202,400	16,745,200	16,745,200	16,026,211	15,119,411	13,883,911	14,136,311	14,447,811	14,565,111
Industrial	14,480,500	14,026,400	13,145,500	13,145,500	11,231,600	11,231,600	11,231,600	10,448,100	10,448,100	10,198,100
Apartment	409,900	409,900	409,900	409,900	429,300	429,300	429,300	429,300	429,300	429,300
Total assessed value	\$ 769,872,900	\$ 768,286,200	\$ 765,179,600	\$ 762,203,500	\$ 627,478,421	\$ 626,910,001	\$ 627,104,291	\$ 625,518,741	\$ 625,570,041	\$ 627,974,541
Public utilities (a)	2,066,917	1,938,850	1,948,801	1,671,889	1,531,313	1,504,717	1,464,110	1,428,395	1,136,595	1,127,501
Net valuation taxable	\$ 771,939,817	\$ 770,225,050	\$ 767,128,401	\$ 763,875,389	\$ 629,009,734	\$ 628,414,718	\$ 628,568,401	\$ 626,947,136	\$ 626,706,636	\$ 629,102,042
Estimated actual county equalized value	\$ 832,100,698	\$ 783,944,071	\$ 746,069,777	\$ 691,448,812	\$ 670,270,971	\$ 660,724,128	\$ 661,400,494	\$ 663,064,010	\$ 670,952,595	\$ 692,919,971
Percentage of net valuation to estimated actual equalized value	92.77%	98.25%	102.82%	110.47%	93.84%	95.11%	95.04%	94.55%	93.41%	90.79%
Total direct school tax rates (b)	\$ 0.500	\$ 0.530	\$ 0.520	\$ 0.500	\$ 0.610	\$ 0.580	\$ 0.610	\$ 0.650	\$ 0.600	\$ 0.723

*

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Township of Kingwood
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 19,877,000	\$ 19,848,200	\$ 20,682,400	\$ 20,444,100	\$ 18,828,000	\$ 22,065,150	\$ 21,949,750	\$ 20,706,400	20,700,000.00	\$ 18,674,100
Residential	421,467,300	422,700,800	417,770,800	420,624,300	422,482,000	421,252,699	428,026,899	427,194,899	430,839,699.00	432,643,895
Farm regular	111,387,300	111,775,600	114,411,900	113,888,600	113,765,600	113,811,201	110,891,300	113,641,700	110,696,300.00	115,705,800
Q farm	5,862,400	5,809,900	5,810,800	5,711,500	5,624,100	5,480,300	5,381,800	5,300,000	5,292,300.00	5,280,500
Commercial	34,544,300	35,078,200	34,583,000	34,945,700	34,980,300	34,962,700	35,012,700	34,962,400	34,962,400.00	35,389,300
Industrial	9,346,600	9,346,600	9,346,600	9,346,600	9,381,100	9,381,100	8,921,900	8,921,908	8,921,900.00	8,972,900
Apartment	2,018,900	1,988,300	1,988,300	1,988,300	1,988,300	1,988,300	1,988,300	1,988,300	1,947,600.00	2,009,500
Total assessed value	\$ 604,503,800	\$ 606,547,600	\$ 604,593,800	\$ 606,949,100	\$ 607,049,400	\$ 608,941,450	\$ 612,172,649	\$ 612,715,607	\$ 613,360,199	\$ 618,675,995
Public utilities (a)	1,639,850	1,559,512	1,663,096	1,480,282	1,476,753	1,653,010	1,544,943	1,545,288	1,545,288.00	-
Net valuation taxable	\$ 606,143,650	\$ 608,107,112	\$ 606,256,896	\$ 608,429,382	\$ 608,526,153	\$ 610,594,460	\$ 613,717,592	\$ 614,260,895	\$ 614,905,487	\$ 618,675,995
Estimated actual county equalized value	\$ 697,511,612	\$ 660,555,194	\$ 639,241,772	\$ 629,713,705	\$ 611,216,103	\$ 618,887,553	\$ 603,828,946	\$ 611,153,881	625,535,242	626,253,664
Percentage of net valuation to estimated actual equalized value	86.90%	92.06%	94.84%	96.62%	99.56%	98.66%	101.64%	100.51%	98.30%	98.79%
Total direct school tax rates (b)	\$ 0.510	\$ 0.550	\$ 0.570	\$ 0.590	\$ 0.610	\$ 0.610	\$ 0.610	\$ 0.620	\$ 0.650	\$ 0.635

*

Source: Municipal Tax Assessor

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

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property (continued)
By Constituent District - Borough of Milford
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 2,643,000	\$ 2,647,800	\$ 2,634,300	\$ 2,580,300	\$ 2,265,200	\$ 2,265,200	\$ 2,179,300	\$ 2,138,600	\$ 2,131,100	\$ 2,131,700
Residential	95,595,200	95,320,400	95,332,200	94,829,000	94,913,600	94,625,300	94,300,400	94,080,271	94,617,171	95,139,271
Farm regular	1,413,900	1,408,800	1,408,800	1,408,800	1,418,800	1,418,800	1,418,800	1,418,800	1,418,800	1,166,400
Q farm	21,100	21,100	21,100	21,100	21,900	21,900	21,900	21,900	21,900	21,500
Commercial	12,455,970	12,444,170	12,759,270	12,759,270	12,759,270	12,447,070	12,447,070	12,447,070	12,377,670	13,043,770
Industrial	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,992,000	1,985,800
Apartment	3,238,200	3,238,200	3,238,200	3,238,200	3,238,200	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Total assessed value	\$ 117,359,370	\$ 117,072,470	\$ 117,385,870	\$ 116,828,670	\$ 116,608,970	\$ 115,670,270	\$ 115,259,470	\$ 114,998,641	\$ 115,458,641	\$ 116,388,441
Public utilities (a)	260,294	229,368	241,622	222,189	182,366	188,786	182,807	182,071	178,706	183,074
Net valuation taxable	\$ 117,619,664	\$ 117,301,838	\$ 117,627,492	\$ 117,050,859	\$ 116,791,336	\$ 115,859,056	\$ 115,442,277	\$ 115,180,712	\$ 115,637,347	\$ 116,571,515
Estimated actual county equalized value	\$ 152,971,341	\$ 145,752,781	\$ 128,892,715	\$ 117,674,534	\$ 114,247,680	\$ 109,034,434	\$ 122,488,557	\$ 121,957,242	\$ 124,989,568	\$ 122,862,052
Percentage of net valuation to estimated actual equalized value	76.89%	80.48%	91.26%	99.47%	102.23%	106.26%	94.25%	94.44%	92.52%	94.88%
Total direct school tax rates (b)	\$ 0.680	\$ 0.660	\$ 0.510	\$ 0.520	\$ 0.610	\$ 0.610	\$ 0.610	\$ 0.770	\$ 1.010	\$ 0.678

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
By Constituent District - Township of Alexandria
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate						Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Local School Rate	Municipality	County			
			Total Direct School Tax Rate							
2011	\$ 0.52	\$ 0.01	\$ 0.53	\$ 0.95	\$ 0.21	\$ 0.36	\$ -	\$ 2.05		
2012	0.50	0.02	0.52	0.93	0.21	0.35	-	2.01		
2013	0.54	0.03	0.57	0.96	0.21	0.34	-	2.08		
2014	0.57	0.02	0.59	0.97	0.21	0.34	-	2.11		
2015	* 0.67	0.03	0.70	1.14	0.24	0.40	-	2.48		
2016	0.72	0.03	0.75	1.16	0.24	0.41	-	2.56		
2017	0.68	0.03	0.71	1.19	0.25	0.41	-	2.56		
2018	0.66	0.02	0.68	1.22	0.26	0.41	-	2.57		
2019	0.64	0.03	0.67	1.20	0.29	0.41	-	2.57		
2020	0.71	-	0.71	1.24	0.31	0.41	-	2.67		

Sources: Municipal Tax Collector

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (continued)
By Constituent District - Borough of Frenchtown
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate						Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)		(From J-6) Total Direct School Tax Rate	Local School Rate	Municipality	County			
2011	\$ 0.46	\$ 0.01	\$ 0.47	\$ 1.17	\$ 0.60	\$ 0.41	\$ -	\$ 2.65		
2012	0.42	0.02	0.44	1.19	0.62	0.40	-	2.65		
2013	0.46	0.02	0.48	1.21	0.65	0.40	-	2.74		
2014	0.50	0.02	0.52	1.24	0.67	0.40	-	2.83		
2015	0.55	0.02	0.57	1.26	0.71	0.38	-	2.92		
2016	0.60	0.03	0.63	1.30	0.87	0.41	-	3.21		
2017	0.67	0.03	0.70	1.30	0.87	0.43	-	3.30		
2018	0.62	0.04	0.66	1.34	0.89	0.41	-	3.30		
2019	0.62	0.02	0.65	1.44	0.91	0.44	-	3.44		
2020	0.68	-	0.68	1.52	0.94	0.43	-	3.58		

Sources: Municipal Tax Collector

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.
- * Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (continued)
By Constituent District - Township of Holland
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate						Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Local School Rate	Municipality	County			
			Total Direct School Tax Rate							
2011	\$ 0.49	\$ 0.01	\$ 0.50	\$ 1.08	\$ -	\$ 0.37	\$ -	\$ 1.95		
2012	0.51	0.02	0.53	1.09	-	0.35	-	1.97		
2013	0.50	0.02	0.52	1.08	-	0.34	-	1.94		
2014	0.48	0.02	0.50	1.11	-	0.33	-	1.94		
2015	* 0.58	0.03	0.61	1.37	0.10	0.39	-	2.47		
2016	0.56	0.02	0.58	1.40	0.19	0.39	-	2.56		
2017	0.59	0.02	0.61	1.40	0.19	0.39	-	2.59		
2018	0.62	0.03	0.65	1.36	0.19	0.39	-	2.59		
2019	0.58	0.02	0.60	1.44	0.19	0.40	-	2.63		
2020	0.72	-	0.72	1.54	0.19	0.42	-	2.87		

Sources: Municipal Tax Collector

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.
- * Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (continued)
By Constituent District - Township of Kingwood
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate						Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Local School Rate	Municipality	County			
			Total Direct School Tax Rate							
2011	* \$ 0.50	\$ 0.01	\$ 0.51	\$ 0.90	\$ 0.22	\$ 0.39	\$ -	\$ 2.02		
2012	0.53	0.02	0.55	0.89	0.22	0.37	-	2.03		
2013	0.54	0.03	0.57	0.91	0.23	0.37	-	2.08		
2014	0.57	0.02	0.59	0.90	0.23	0.38	-	2.10		
2015	0.58	0.03	0.61	0.91	0.24	0.37	-	2.13		
2016	0.59	0.02	0.61	0.92	0.25	0.38	-	2.16		
2017	0.59	0.02	0.61	0.95	0.26	0.36	-	2.18		
2018	0.59	0.03	0.62	0.92	0.27	0.37	-	2.18		
2019	0.63	0.02	0.65	0.97	0.30	0.38	-	2.30		
2020	0.64	-	0.64	1.00	0.34	0.38	-	2.36		

Sources: Municipal Tax Collector

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.
- * Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates (continued)
By Constituent District - Borough of Milford
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate					Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Local School Rate	Municipality	County		
			Total Direct School Tax Rate						
2011	\$ 0.67	\$ 0.01	\$ 0.68		\$ 1.48	\$ 0.68	\$ 0.44	\$ -	\$ 3.28
2012	0.63	0.03	0.66		1.48	0.68	0.42	-	3.24
2013	0.49	0.02	0.51		1.50	0.69	0.38	-	3.08
2014	0.50	0.02	0.52		1.54	0.70	0.35	-	3.11
2015	0.58	0.03	0.61		1.53	0.71	0.35	-	3.20
2016	0.59	0.02	0.61		1.65	0.71	0.34	-	3.31
2017	0.59	0.02	0.61		1.70	0.72	0.36	-	3.39
2018	0.74	0.03	0.77		1.53	0.73	0.36	-	3.39
2019	0.84	0.03	0.88		1.67	0.74	0.37	-	3.66
2020	0.68	-	0.68		1.71	0.76	0.38	-	3.52

Sources: Municipal Tax Collector

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers
By Constituent District - Township of Alexandria
Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Individual property owner	\$ 4,373,600	1	0.61%	\$ 6,841,800	1	0.82%
Sky Manor Airport Partners LLC	3,271,900	2	0.45%	3,543,100	2	0.43%
Columbia Gas Transmission	2,427,300	3	0.34%	2,571,488	3	0.31%
Individual property owner	1,981,200	4	0.28%	-		-
Frenchtown Care Home Inc	1,797,800	5	0.25%	-		-
Individual property owner	1,582,600	6	0.22%	-		-
Alexandria Airpark LLC	1,575,400	7	0.22%	1,409,000	10	0.17%
Individual property owner	1,570,900	8	0.22%	-		-
Individual property owner	1,549,200	9	0.22%	-		-
Individual property owner	1,532,700	10	0.21%	-		-
International Paper Company	-		-	1,993,500	4	0.24%
United Telephone Company	-		-	1,877,033	5	0.23%
Individual property owner	-		-	1,813,500	6	0.22%
Abplanalp c/o J Veneruso, Esq.	-		-	1,686,300	7	0.20%
Manchanda Shapiro Rauch LLC	-		-	1,541,000	8	0.19%
Sapphire Inc c/o Riverside Jeans	-		-	1,486,900	9	0.18%
	<u>\$ 21,662,600</u>		<u>3.02%</u>	<u>\$ 24,763,621</u>		<u>2.99%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers (continued)
By Constituent District - Borough of Frenchtown
Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Frenchtown Associates LLC	\$ 2,950,000	1	2.00%	\$ 2,950,000	1	1.96%
Frenchtown Barn Center LLC	1,500,000	2	1.02%	1,500,000	3	1.00%
Davon LLC	977,200	3	0.66%	977,200	4	0.65%
Le Pont LLC	947,200	4	0.64%	-	-	-
Individual Property Owner	769,200	5	0.52%	830,800	6	0.55%
Traub Holdings LLC	758,400	6	0.51%	758,400	8	0.50%
B&B Properties LLC	748,500	7	0.51%	748,500	9	0.50%
Individual Property Owner	718,800	8	0.49%	-	-	-
Warren House LLC	695,400	9	0.47%	809,900	7	0.54%
Art Yard	663,300	10	0.45%	-	-	-
Frenchtown Properties LLC	-	-	-	2,145,200	2	1.43%
Bridge Race Properties	-	-	-	972,200	5	0.65%
United Telephone Company	-	-	-	725,240	10	0.48%
	<u>\$ 10,728,000</u>		<u>7.27%</u>	<u>\$ 12,417,440</u>		<u>8.26%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers (continued)
By Constituent District - Township of Holland
Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Gilbert Power, LLC	\$ 6,396,400	1	1.02%	\$ -		-
Rothenberg, Craig & Antonietta	3,603,600	2	0.57%	-		-
Fiberville Estates LLC	3,272,600	3	0.52%	1,973,700	6	0.26%
Georgia-Pacific Corp.	2,789,400	4	0.44%	2,845,900	4	0.37%
Oak Hill Golf Club, Inc.	2,729,000	5	0.43%	5,168,000	2	0.67%
Columbia Gas Transmission	1,897,400	6	0.30%	2,206,500	5	0.29%
Spring Mills LLC	1,778,600	7	0.28%	-		-
Holland 2MG LLC	1,540,200	8	0.24%	-		-
Individual property owner	1,516,450	9	0.24%	3,268,000	3	0.42%
Individual property owner	1,273,300	10	0.20%	1,459,200	9	0.19%
RRI Energy	-		-	8,000,000	1	1.04%
Warren Glen Investments	-		-	1,900,000	7	0.25%
Verizon	-		-	1,618,116	8	0.21%
KJA Holdings LLC	-		-	1,349,500	10	0.17%
	<u>\$ 26,796,950</u>		<u>4.24%</u>	<u>\$ 29,788,916</u>		<u>3.87%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers (continued)
By Constituent District - Township of Kingwood
Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Buckeye Pipeline Co	\$ 4,575,000	1	0.74%	\$ 4,575,000	1	0.75%
Kingwood Flex LLC	4,188,100	2	0.68%	-		-
MEL Chemicals	3,549,200	3	0.57%	3,463,700	3	0.57%
Buckeye Pipeline Co	3,040,000	4	0.49%	3,040,000	5	0.50%
Perini Properties LLC	2,895,500	5	0.47%	-		-
Frenchtown III Solar LLC	2,628,700	6	0.42%	-		-
869 Associates LLC	2,324,100	7	0.38%	2,324,100	8	0.38%
Frenchtown III Solar LLC	1,657,500	8	0.27%	-		-
Individual Property Owner	1,650,800	9	0.27%	1,650,800	10	0.27%
Frenchtown II Solar LLC	1,500,000	10	0.24%	-		-
Route 12 Business Park LLC	-		-	4,188,100	2	0.69%
Horseshoe Bend LLC	-		-	3,110,300	4	0.51%
Luzt Welding & Fabricating Inc	-		-	2,895,000	6	0.48%
Frenchtown Run LLC	-		-	2,500,000	7	0.41%
Horseshoe Bend LLC	-		-	1,750,000	9	0.29%
	<u>\$ 28,008,900</u>		<u>4.53%</u>	<u>\$ 29,497,000</u>		<u>4.85%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers (continued)
By Constituent District - Borough of Milford
Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Pinecrest Village Ass	\$ 2,900,000	1	2.49%	\$ 3,238,200	1
International Paper Company	1,336,600	2	1.15%	1,336,600	2	1.14%
Hunterdon Medical Ctr	1,131,000	3	0.97%	1,131,000	3	0.96%
60 Bridge Street LLC	805,500	4	0.69%	702,100	4	0.60%
60 Bridge Street LLC	702,100	5	0.60%	490,400	8	0.42%
Individual Property Owner	573,700	6	0.49%	573,700	5	0.49%
Individual Property Owner	539,100	7	0.46%	539,100	6	0.46%
Stem Brothers	523,700	8	0.45%	523,700	7	0.45%
Individual Property Owner	504,800	9	0.43%	463,600	9	0.39%
Ingahdwe trust	485,400	10	0.42%	-		-
Little Kids NJ Parthnership	-		-	462,500	10	0.39%
	<u>\$ 9,501,900</u>		<u>8.15%</u>	<u>\$ 9,460,900</u>		<u>8.05%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
By Constituent District
Last Ten Years

Fiscal Year Ending June 30,	Taxes Levied for the Year					Collected within the Year of the Levy (a)	
	Township of Alexandria	Borough of Frenchtown	Township of Holland	Township of Kingwood	Borough of Milford	Total Amount	Percentage of Levy
2011	\$ 4,372,776	\$ 710,295	\$ 3,871,780	\$ 3,069,780	\$ 795,985	\$ 12,820,616	100.00%
2012	4,337,911	655,433	4,079,543	3,340,691	776,592	13,190,170	100.00%
2013	4,726,575	713,972	3,979,402	3,459,339	603,349	13,482,637	100.00%
2014	4,845,770	781,862	3,868,105	3,582,150	612,199	13,690,086	100.00%
2015	4,975,980	854,323	3,827,933	3,731,027	714,607	14,103,870	100.00%
2016	5,317,220	935,385	3,667,966	3,731,391	710,220	14,362,182	100.00%
2017	5,081,373	1,054,431	3,862,584	3,841,322	770,431	14,610,141	100.00%
2018	4,899,338	978,582	4,052,144	3,788,314	891,163	14,609,541	100.00%
2019	4,818,545	990,477	3,766,087	4,008,021	1,165,455	14,748,585	100.00%
2020	4,966,127	965,161	4,183,203	3,912,741	1,016,323	15,043,555	100.00%

Source: District records including the Certificate and Report of School Taxes (A4F Form)

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

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2011	\$ 4,039,000	\$ -	\$ -	\$ -	\$ -	\$ 4,039,000	0.35%	\$ 242
2012	3,535,000	-	-	-	422,609	3,957,609	0.33%	238
2013	3,055,000	-	-	-	341,320	3,396,320	0.27%	206
2014	2,580,000	-	189,277	-	258,446	3,027,723	0.24%	184
2015	2,090,000	-	1,591,747	-	1,033,261	4,715,008	0.37%	287
2016	1,585,000	-	1,180,698	-	1,189,865	3,955,563	0.30%	242
2017	1,065,000	-	763,262	-	854,584	2,682,846	0.20%	165
2018	530,000	-	454,285	-	999,051	1,983,336	0.14%	122
2019	-	-	2,707,003	-	937,116	3,644,119	0.25%	225
2020	-	-	2,245,331	-	1,465,319	3,710,650	N/A	230

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Information is not available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 4,039,000	\$ -	\$ 4,039,000	0.16%	\$ 242
2012	3,535,000	-	3,535,000	0.14%	212
2013	3,055,000	-	3,055,000	0.12%	185
2014	2,580,000	-	2,580,000	0.10%	157
2015	2,090,000	-	2,090,000	0.09%	127
2016	1,585,000	-	1,585,000	0.07%	97
2017	1,065,000	-	1,065,000	0.05%	66
2018	530,000	-	530,000	0.02%	33
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Local or Regional School			
Township of Alexandria	\$ -	100.00%	\$ -
Borough of Frenchtown	1,048,000	100.00%	1,048,000
Township of Holland	-	100.00%	-
Township of Kingwood	900,000	100.00%	900,000
Borough of Milford	190,000	100.00%	190,000
Municipality			
Township of Alexandria	3,475,765	100.00%	3,475,765
Borough of Frenchtown	3,193,892	100.00%	3,193,892
Township of Holland	100,000	100.00%	100,000
Township of Kingwood	2,088,909	100.00%	2,088,909
Borough of Milford	806,771	100.00%	806,771
County general obligation debt	85,870,478	10.96%	<u>9,409,941</u>
Subtotal, overlapping debt			21,213,278
Regional High School			
Township of Alexandria	-	32.95%	-
Borough of Frenchtown	-	7.25%	-
Township of Holland	-	28.59%	-
Township of Kingwood	-	26.09%	-
Borough of Milford	-	28.59%	-
School District direct debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 21,213,278</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.
Debt outstanding data provided by each Governmental Unit.

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

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

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

		Equalized Valuation Basis
	2019	\$ 2,389,040,005
	2018	2,362,580,158
	2017	2,360,301,551
		\$ 7,111,921,714
Average equalized valuation of taxable property		\$ 2,370,640,571
Debt limit (3.0% of average equalization value)	(a)	\$ 71,119,217
Total net debt applicable to limit		-
Legal debt margin		\$ 71,119,217

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 69,850,520	\$ 69,934,555	\$ 70,260,638	\$ 70,506,077	\$ 71,119,217
Total net debt applicable	1,585,000	1,065,000	530,000	-	-
Legal debt margin	\$ 68,265,520	\$ 68,869,555	\$ 69,730,638	\$ 70,506,077	\$ 71,119,217
Total net debt applicable to the limit as a percentage of debt limit	2.27%	1.52%	0.75%	0.00%	0.00%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 81,655,498	\$ 78,254,366	\$ 75,789,695	\$ 77,884,791	\$ 70,366,993
Total net debt applicable	4,039,000	3,535,000	3,055,000	2,580,000	2,090,000
Legal debt margin	\$ 77,616,498	\$ 74,719,366	\$ 72,734,695	\$ 75,304,791	\$ 68,276,993
Total net debt applicable to the limit as a percentage of debt limit	4.95%	4.52%	4.03%	3.31%	2.97%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
By Constituent District - Township of Alexandria
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2011	4,899	\$ 343,170,051	\$ 70,049	11.8%
2012	4,885	351,451,325	71,945	11.8%
2013	4,858	365,506,204	75,238	8.0%
2014	4,843	363,549,481	75,067	4.5%
2015	4,829	379,810,508	78,652	4.1%
2016	4,817	390,451,569	81,057	3.8%
2017	4,792	400,826,840	83,645	3.8%
2018	4,797	407,543,526	84,958	3.2%
2019	4,773	N/A	N/A	2.7%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics (continued)
By Constituent District - Borough of Frenchtown
Last Ten Fiscal Years

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2011	1,431	\$ 100,240,119	\$ 70,049	6.7%
2012	1,378	99,140,210	71,945	6.7%
2013	1,409	106,010,342	75,238	6.7%
2014	1,405	105,469,135	75,067	5.2%
2015	1,403	110,348,756	78,652	3.3%
2016	1,359	110,156,463	81,057	3.1%
2017	1,363	114,008,135	83,645	2.8%
2018	1,356	115,203,048	84,958	3.0%
2019	1,351	N/A	N/A	2.5%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics (continued)
By Constituent District - Township Holland
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2011	5,275	\$ 369,508,475	\$ 70,049	8.4%
2012	5,242	377,135,690	71,945	8.4%
2013	5,224	393,043,312	75,238	7.6%
2014	5,203	390,573,601	75,067	5.3%
2015	5,180	407,417,360	78,652	4.6%
2016	5,144	416,957,208	81,057	4.2%
2017	5,135	429,517,075	83,645	3.5%
2018	5,114	434,475,212	84,958	3.4%
2019	5,097	N/A	N/A	2.7%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics (continued)
By Constituent District - Township Kingwood
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2011	3,823	\$ 267,797,327	\$ 70,049	8.0%
2012	3,804	273,678,780	71,945	8.0%
2013	3,796	285,603,448	75,238	4.9%
2014	3,764	282,552,188	75,067	4.9%
2015	3,765	296,124,780	78,652	4.7%
2016	3,746	303,639,522	81,057	3.9%
2017	3,739	312,748,655	83,645	3.9%
2018	3,743	317,997,794	84,958	3.5%
2019	3,741	N/A	N/A	3.1%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics (continued)
By Constituent District - Borough of Milford
Last Ten Fiscal Years

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2011	1,231	\$ 86,230,319	\$ 70,049	12.9%
2012	1,222	87,916,790	71,945	12.9%
2013	1,216	91,489,408	75,238	5.9%
2014	1,211	90,906,137	75,067	5.1%
2015	1,206	94,854,312	78,652	5.2%
2016	1,202	97,430,514	81,057	4.7%
2017	1,194	99,872,130	83,645	3.3%
2018	1,190	101,100,020	84,958	3.3%
2019	1,186	N/A	N/A	3.8%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information Not Available

See independent auditors' report.

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago**

2020

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2011

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	52.5	56.0	55.0	58.5	59.5	57.5	55.4	52.9	50.5	51.5
Special education	31.0	28.0	25.8	25.8	13.0	25.8	26.0	24.0	24.0	24.0
Other instruction	2.0	2.5	3.0	3.0	3.0	2.0	5.0	4.0	5.0	4.0
Support services										
Student and instruction related services	23.3	24.3	23.8	26.8	38.5	27.8	22.1	30.6	29.8	29.5
General administration	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
School administration services	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Central services	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.7	3.7	3.5
Administrative information technology	0.5	0.5	0.5	0.5	1.5	1.5	1.5	1.0	1.0	-
Plant operations and maintenance	9.5	11.0	10.5	11.5	11.5	11.5	11.5	12.5	13.5	13.5
Pupil transportation	31.0	32.0	37.0	49.0	46.1	67.0	59.0	56.0	57.0	56.0
Total	158.8	164.3	165.6	185.1	183.1	203.1	190.5	191.2	191.0	187.5

Source: District Personnel Records

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	1,002	\$ 16,828,409	16,795	-2.17%	85.5	1 to 11.72	1,002.4	946.9	1.09%	94.46%
2012	972	17,562,626	18,069	7.58%	86.5	1 to 11.24	943.4	895.8	-5.89%	94.95%
2013	977	17,970,087	18,393	1.80%	85.3	1 to 11.45	961.3	908.0	1.90%	94.46%
2014	958	18,573,921	19,388	5.41%	80.0	1 to 11.98	945.3	900.3	-1.66%	95.24%
2015	899	18,655,464	20,751	7.03%	79.5	1 to 11.31	893.8	852.2	-5.45%	95.35%
2016	891	19,333,924	21,699	4.57%	77.5	1 to 11.50	880.3	842.4	-1.51%	95.69%
2017	876	19,292,744	22,024	1.50%	71.0	1 to 12.34	828.2	785.9	-5.92%	94.89%
2018	801	19,844,955	24,775	12.49%	68.7	1 to 11.66	693.5	660.2	-16.26%	95.20%
2019	730	20,522,628	28,113	13.47%	68.0	1 to 10.74	670.1	648.5	-3.37%	96.78%
2020	756	20,131,203	26,629	-5.28%	67.3	1 to 11.23	689.2	667.9	2.84%	96.91%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Delaware Valley Regional High School (1958)</u>										
Square feet	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000	163,000
Capacity (students)	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Enrollment	1,002	972	977	958	899	891	876	801	730	756
<u>Number of schools at June 30, 2020</u>										
Elementary	-									
Middle School	-									
High School	1									
Other	-									

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

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

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>District Total</u>
2011	\$ 239,246
2012	179,706
2013	244,549
2014	363,977
2015	302,091
2016	519,761
2017	457,695
2018	364,134
2019	396,514
2020	449,924
Total school facilities	<u>\$ 3,517,597</u>

Note: School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Real & Personal Property (per occurrence)	\$ 500,000,000	\$ 5,000
Blanket Extra Expense	50,000,000	5,000
Blanket Valuable Paper & Records	10,000,000	5,000
Demolition & Increased Cost of Construction	25,000,000	-
Limited Builders Risk	10,000,000	-
Fire Dept. Service Charge	10,000	-
Arson Reward	10,000	-
Pollution Cleanup & Removal	250,000	-
Flood/Earthquake:		
Flood Zone A & V	25,000,000	500,000
All Other Flood Zones	75,000,000	10,000
Earthquake	50,000,000	5,000
Terrorism	1,000,000	
Electronic Data Processing		
Blanket Hardware/Software, Business Income, Transit, Debris Removal	1,500,000	1,000
Flood (Deductible for Zone A & Z)		500,000
(Deductible All Other Flood Zones)		10,000
Equipment Breakdown		
Combined Single Limit/Accident for Property Damage & Business Income	100,000,000	5,000
Property Damage	Included	-
Off Premises Property Damage	1,000,000	5,000
Extra Expense	10,000,000	5,000
Service Interruption	10,000,000	5,000
Perishable Goods	1,000,000	5,000
Data Restoration	1,000,000	5,000
Demolition	1,000,000	5,000
Ordinance or Law	1,000,000	5,000
Expediting Expense	1,000,000	5,000
Hazardous Substances	1,000,000	5,000
Newly Acquired Locations - 120 Days Notice	1,000,000	5,000
Crime Coverage		
Public Employee Dishonesty	100,000	1,000
Theft, Disapp. & Destruction/Money Orders & Counterfeit Currency	10,000	1,000
Forgery or Alteration	100,000	1,000
Computer Fraud	50,000	1,000
Public Officials Bond		
Business Administrator - T Barna (Selective Ins. Co.)	250,000	-
Treasurer - R Krov (Selective Ins. Co.)	210,000	-
General Liability		
Bodily Injury & Property Damage	10,000,000	-
Products & Completed Operations	10,000,000	-
Sexual Abuse	10,000,000	-
Personal Injury & Advertising Injury	10,000,000	-
Employee Benefits Liability	10,000,000	1,000

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - NJSIG (continued)		
General Liability (continued)		
Premises Medical Payments	\$10,000 per accident	-
	\$5,000 per person	-
Terrorism	1,000,000	-
Automotive Coverage		
Bodily Injury and Property Damage Comined Single Limit	10,000,000	1,000
Personal Injury Protection	250,000	1,000
Medical Payments	10,000	-
Underinsured	1,000,000	-
Terrorism	1,000,000	-
Garagekeepers	Included	-
School Leaders Errors & Omissions		
Coverage A - protection againsts "loss"/Wrongful Acts	1,000,000	10,000
Coverage B - defense costs for specific administrative actions	\$100,000/claim	5,000
	\$300,000/agg	5,000
Retro Date	31,594	-
Workers' Compensation		
Part One	Statutory	-
Part Two		
Bodily Injury by Accident	2,000,000	-
Bodily Injury by Disease	2,000,000	-
Student/Athletic Volunteer Accident		
All School - US Fire Ins. Co.	25,000	-
Excess Coverage - Medical Expense benefits - National Union Fire Ins. Co.	7,500,000	25,000
Volunteer Workers	25,000	1,000

Source: District records

See independent auditors' report.

SINGLE AUDIT SECTION



Certified Public Accountants, PC
www.bkc-cpa.com

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Delaware Valley Regional High School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Delaware 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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

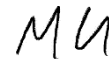
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 27, 2021
Flemington, New Jersey



**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform
Guidance and New Jersey OMB Circular 15-08-OMB**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Delaware Valley Regional High School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2020. The District's major 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, and the OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the 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 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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



BKC, CPAs, PC



Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 27, 2021
Flemington, New Jersey

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2020		
					From	To	(Acct Rec) Def Revenue	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund															
Title I A	84.010A	S010A180030	ESSA-1050-19	\$ 36,982	07/01/18	06/30/19	\$ (2,138)	\$ -	\$ 12,830	\$ 12,460	\$ -	\$ -	\$ (1,768)	\$ -	\$ -
Title I A	84.010A	S010A190030	ESSA-1050-20	19,116	07/01/19	06/30/20	-	-	-	732	-	-	(732)	-	-
Title II A	84.367A	S367A180029	ESSA-1050-19	12,724	07/01/18	06/30/19	(3,499)	-	3,499	-	-	-	-	-	-
Title II A	84.367A	S367A190029	ESSA-1050-20	10,620	07/01/19	06/30/20	-	-	6,381	10,620	-	-	(4,239)	-	-
Title IV	84.424	S424A180031	ESSA-1050-19	12,140	07/01/18	06/30/19	(7,390)	-	7,390	-	-	-	-	-	-
Title IV	84.424	S424A190031	ESSA-1050-20	10,000	07/01/19	06/30/20	-	-	8,849	10,000	-	-	(1,151)	-	-
IDEA Basic	84.027A	H027A190100	IDEA-1050-20	159,795	07/01/19	06/30/20	-	-	159,795	159,795	-	-	-	-	-
CARES Act	84.425D	S425D200027	ESSER-1050-20	15,286	03/13/20	09/30/22	-	-	-	8,048	-	-	(8,048)	-	-
Total Special Revenue Fund							<u>(13,027)</u>	<u>-</u>	<u>198,744</u>	<u>201,655</u>	<u>-</u>	<u>-</u>	<u>(15,938)</u>	<u>-</u>	<u>-</u>
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund															
Child Nutrition Center															
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	191NJ304N1099	N/A	11,067	10/01/18	09/30/19	2,007	-	-	2,007	-	-	-	-	-
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	20,274	10/01/19	09/30/20	-	-	20,274	18,056	-	-	-	2,218	-
National School Lunch Program															
Cash Assistance	10.555	191NJ304N1099	N/A	26,615	10/01/18	09/30/19	(697)	-	697	-	-	-	-	-	-
National School Lunch Program															
Cash Assistance	10.555	201NJ304N1099	N/A	36,870	10/01/19	09/30/20	-	-	36,417	36,870	-	-	(453)	-	-
School Breakfast Program	10.553	191NJ304N1099	N/A	3,063	10/01/18	09/30/19	(87)	-	87	-	-	-	-	-	-
School Breakfast Program	10.553	201NJ304N1099	N/A	4,131	10/01/19	09/30/20	-	-	3,892	4,131	-	-	(239)	-	-
Total Enterprise Fund							<u>1,223</u>	<u>-</u>	<u>61,367</u>	<u>61,064</u>	<u>-</u>	<u>-</u>	<u>(692)</u>	<u>2,218</u>	<u>-</u>
Total Federal Financial Assistance							<u>\$ (11,804)</u>	<u>\$ -</u>	<u>\$ 260,111</u>	<u>\$ 262,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,630)</u>	<u>\$ 2,218</u>	<u>\$ -</u>

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2020			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Transportation Aid	20-495-034-5120-014	\$ 17,291	07/01/19	06/30/20	\$ -	\$ -	\$ 15,576	\$ 17,291	\$ -	\$ -	\$ -	\$ -	\$ 1,715	\$ 17,291
Special Education Categorical Aid	20-495-034-5120-089	592,662	07/01/19	06/30/20	-	-	533,852	592,662	-	-	-	-	58,810	592,662
Security Aid	20-495-034-5120-084	74,763	07/01/19	06/30/20	-	-	67,344	74,763	-	-	-	-	7,419	74,763
Equalization Aid	20-495-034-5120-084	2,819,452	07/01/19	06/30/20	-	-	2,812,033	2,819,452	-	-	-	-	7,419	2,819,452
Extraordinary Special Education Costs Aid	19-495-034-5120-044	256,500	07/01/18	06/30/19	(256,500)	-	256,500	-	-	-	-	-	-	256,500
Extraordinary Special Education Costs Aid	20-495-034-5120-044	257,933	07/01/19	06/30/20	-	-	-	257,933	-	(257,933)	-	-	-	257,933
Non-Public Transportation Aid	19-495-034-5120-014	3,770	07/01/18	06/30/19	(3,770)	-	3,770	-	-	-	-	-	-	3,770
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	493,303	07/01/18	06/30/19	(27,663)	-	27,663	-	-	-	-	-	-	493,303
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	485,085	07/01/19	06/30/20	-	-	481,758	485,085	-	(3,327)	-	-	-	485,085
On-Behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	20-495-034-5094-002	1,394,601	07/01/19	06/30/20	-	-	1,394,601	1,394,601	-	-	-	-	-	1,394,601
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004	24,997	07/01/19	06/30/20	-	-	24,997	24,997	-	-	-	-	-	24,997
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004	1,064	07/01/19	06/30/20	-	-	1,064	1,064	-	-	-	-	-	1,064
On-Behalf TPAF Pension Contribution - Post Retirement Medical	20-495-034-5094-001	526,645	07/01/19	06/30/20	-	-	526,645	526,645	-	-	-	-	-	526,645
Total General Fund					<u>(287,933)</u>	<u>-</u>	<u>6,145,803</u>	<u>6,194,493</u>	<u>-</u>	<u>(261,260)</u>	<u>-</u>	<u>-</u>	<u>75,363</u>	<u>6,948,066</u>
State Department of Agriculture														
Enterprise fund														
National School Lunch Program (St Share)	19-100-010-3350-023	1,951	07/01/18	06/30/19	(51)	-	51	-	-	-	-	-	-	1,951
National School Lunch Program (St Share)	20-100-010-3350-023	1,836	07/01/19	06/30/20	-	-	1,829	1,836	-	(7)	-	-	-	1,836
Total Enterprise Fund					<u>(51)</u>	<u>-</u>	<u>1,880</u>	<u>1,836</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,787</u>
Total State Financial Assistance					<u>\$ (287,984)</u>	<u>\$ -</u>	<u>\$ 6,147,683</u>	<u>6,196,329</u>	<u>\$ -</u>	<u>\$ (261,267)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,363</u>	<u>\$ 6,951,853</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	20-495-034-5094-002							1,394,601						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004							24,997						
On-Behalf TPAF Pension Contribution - Postretirement Medical	20-495-034-5094-001							1,064						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004							526,645						
Total for State Financial Assistance - Major Program Determination								<u>\$ 4,249,022</u>						

See independent auditors' report.

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? Yes X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>20-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>20-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>20-495-034-5120-084</i>	<i>Security Aid</i>

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section II and III
For the Fiscal Year Ended June 30, 2020**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2020.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the fiscal year ended June 30, 2020.

**DELAWARE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2020**

Status of Prior Year Findings

There were no prior year findings or questioned costs.