

**LENAPE VALLEY REGIONAL  
HIGH SCHOOL DISTRICT**

**Lenape Valley Regional High School District  
Stanhope, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Lenape Valley Regional  
High School District**

**Stanhope, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

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

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INTRODUCTORY SECTION  
(UNAUDITED)

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**BOARD OF EDUCATION**  
28 SPARTA ROAD, P. O. BOX 578  
STANHOPE, NJ 07874

Richard D. Kuncken, President  
Steven McHugh, Vice President

Robert G. Klinck  
Assistant Superintendent for Business/  
Board Secretary  
Telephone (973) 347-7600 ext. 5104  
Fax (973) 347-2536

December 17, 2020

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Lenape Valley Regional High School District (the "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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes The Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, 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*, and New Jersey's OMB Circular and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Lenape Valley Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Lenape Valley Regional High School District and its school 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 for handicapped students. The District completed the 2019-2020 fiscal year with an average daily enrollment of 682 students, which is a decrease of 23 students or 3.3% from the previous year's enrollment.

2. **ECONOMIC CONDITION AND OUTLOOK:** Lenape Valley is a regional school district serving approximately 682 students from three sending districts. Students come from Byram Township and Stanhope Borough in Sussex County, New Jersey, and the Borough of Netcong in Morris County, New

2. ECONOMIC CONDITION AND OUTLOOK: (Cont'd) Jersey. The regional high school is situated on a 57.30-acre tract of land located in the northeastern part of Stanhope Borough at 28 Sparta Road. Byram Township (the "Township") is situated in the southwesterly section of Sussex County. The Township is bordered on the north by Sparta Township, on the northwest by Green and Andover Townships, on the east and southeast by Hopatcong Borough, on the south by Stanhope Borough, on the southwest by Mt. Olive Township in Morris County and on the west by Allamuchy Township in Warren County. Route 206, which serves as an access corridor linking Interstate Route 80 with other larger towns in Sussex County.

The Borough of Stanhope is situated in the southernmost part of Sussex County. It is bordered on the north and northwest by Byram Township, on the northeast by Hopatcong Borough, on the southeast by Roxbury Township, on the south by Netcong and on the southwest by Mount Olive Township. Interstate Route 80, U.S. Route 206 and Sussex County Route 183 provide direct access into the Borough.

The Borough of Netcong is located along the western boundary of Morris County approximately in the middle of the county in the north-south direction. Netcong is bounded on the north by the Borough of Stanhope in Sussex County, on the west by the Township of Mt. Olive, and on the south and east by the Township of Roxbury. Netcong Borough is traversed by three major highways, namely Routes 206, 46 and 80.

The future outlook for the Lenape Valley Regional High School District is for a slow growth in industrial and commercial ratables and a slow growth for housing. A steady enrollment is projected over the next 2-3 years.

3. MAJOR INITIATIVES: During the 2019-2020 school year, the district completed two major capital projects. The hall lockers were replaced at a cost of \$160,000 and the district constructed two turf fields: a multi-purpose field for soccer, field hockey, and baseball; along with a softball turf field at an approximate cost of \$1,640,000.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

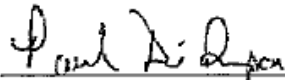


5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund and the special revenue 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found on Exhibit J-20.
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.


The Honorable President and Members  
of the Board of Education  
Lenape Valley Regional High School District  
Page 4  
December 17, 2020

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Lenape Valley Regional High School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Paul DiRupo  
Superintendent



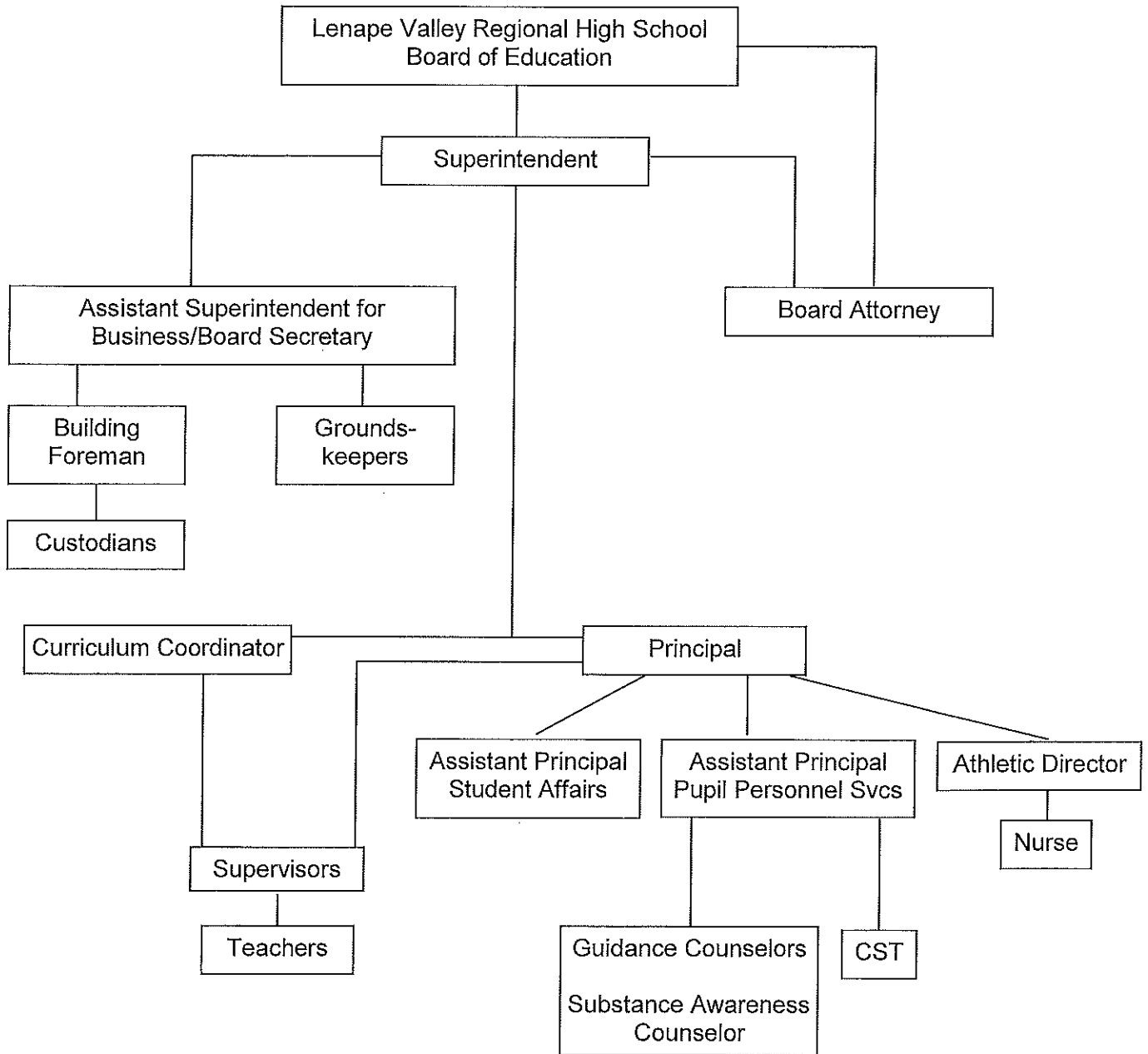
Robert G. Klinck  
Assistant Superintendent for Business

# POLICY

## LENAPE VALLEY REGIONAL BOARD OF EDUCATION

ADMINISTRATION  
1110/Page 1 of 1  
ORGANIZATIONAL CHART

### 1110 ORGANIZATIONAL CHART



**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Roster of Officials**  
**Year Ended June 30, 2020**

<u>Regional High School District Board Members</u>	<u>Term Expires</u>
Richard Kuncken, President Byram Township	2022
Kim Dachisen, Vice President Byram Township	2021
Katy Cherry Byram Township	2020
Sherry Fehir Stanhope Borough	2020
MaryLu Costanzo Netcong Borough	2021
Shelly Credidio Byram Township	2020
Steven McHugh Byram Township	2020
Saliha Iftikhar Stanhope Borough	2022
Karen Moros Netcong Borough	2021

Other Officials

Title

Paul M. DiRupo	Superintendent
Robert G. Klinck	Assistant Superintendent for Business/Board Secretary
Kerry Ann Keane	Treasurer of School Monies

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**Consultants and Advisors**  
**Year Ended June 30, 2020**

**Audit Firm**

Nisivoccia LLP  
200 Valley Road, Suite 300  
Mount Arlington, New Jersey 07856

And

Lawrence Business Park  
11 Lawrence Road  
Newton, New Jersey 07860

**Attorney**

Anthony P. Sciarrillo, Esq.  
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC  
238 St. Paul Street  
Westfield, New Jersey 07090

**Official Depository**

Lakeland Bank  
80 US Highway 206  
Stanhope, New Jersey 07874

FINANCIAL SECTION

## Independent Auditors' Report

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lenape Valley Regional High School District (the "District") in the County of Sussex, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and postemployment schedules in Exhibits L-1 through L-5 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



The Honorable President and Members  
of the Board of Education  
Lenape Valley Regional High School District  
Page 3

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 17, 2020  
Mount Arlington, New Jersey

*Nisiroccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

This section of Lenape Valley Regional High School’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

**Overview of the Financial Statements**

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

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

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

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

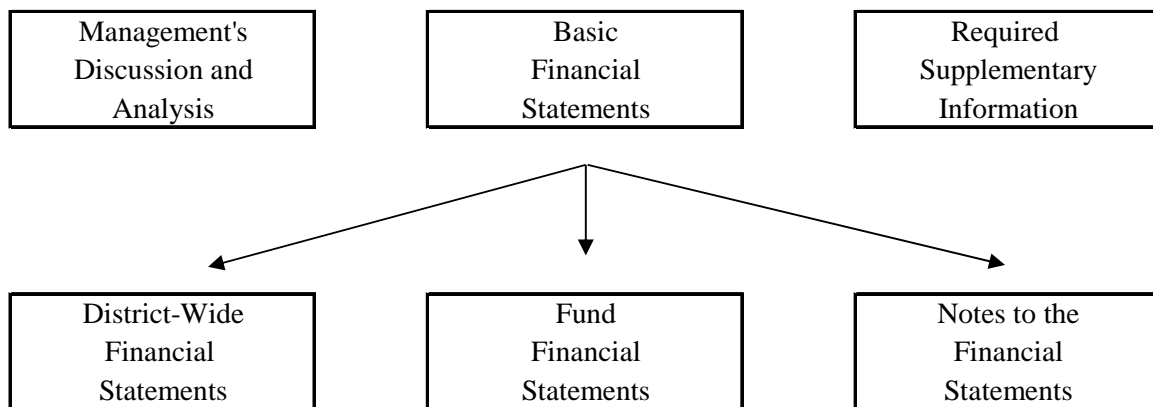


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Figure A-2**

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

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

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**District-Wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

The District has three kinds of funds:

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

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020  
(UNAUDITED)**

**Fund Financial Statements**

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

**Notes to the Basic Financial Statements**

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

**Financial Analysis of the District as a Whole**

*Net Position.* The District's combined net position was \$5,132,014 on June 30, 2020, \$1,670,425 or 48.26% more than it was the year before (See Figure A-3). Net position from governmental activities increased \$1,679,853 and net position from business-type activities decreased by \$9,428 (See Figure A-4). Net investment in capital assets increased \$1,414,855, restricted net position increased \$526,488 and unrestricted net position decreased \$270,918.

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2020	2019*	2020	2019	2020	2019*	
Current and							
Other Assets	\$ 2,650,733	\$ 2,958,622	\$ 22,333	\$ 30,794	\$ 2,673,066	\$ 2,989,416	
Capital Assets, Net	6,452,031	5,053,403	9,603	11,088	6,461,634	5,064,491	
Total Assets	9,102,764	8,012,025	31,936	41,882	9,134,700	8,053,907	13.42%
Deferred Outflows							
of Resources	746,928	1,056,130			746,928	1,056,130	-29.28%
Other Liabilities	170,000	765,505	1,587	2,105	171,587	767,610	
Long-Term Liabilities	3,367,960	3,621,991			3,367,960	3,621,991	
Total Liabilities	3,537,960	4,387,496	1,587	2,105	3,539,547	4,389,601	-19.37%
Deferred Inflows							
of Resources	1,210,067	1,258,847			1,210,067	1,258,847	-3.87%
Net Position:							
Net Investment in							
Capital Assets	6,407,145	4,990,805	9,603	11,088	6,416,748	5,001,893	
Restricted	2,267,168	1,740,680			2,267,168	1,740,680	
Unrestricted/(Deficit)	(3,572,648)	(3,309,673)	20,746	28,689	(3,551,902)	(3,280,984)	
Total Net Position	\$ 5,101,665	\$ 3,421,812	\$ 30,349	\$ 39,777	\$ 5,132,014	\$ 3,461,589	48.26%

\* - Restated

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Financial Analysis of the District as a Whole**

*Changes in net position.* The District's combined net position increased by \$1,670,425 or 48.26%. Net investment in capital assets increased mainly due to capital additions offset by depreciation expense and a net change in capital leases. Restricted net position increased mainly due to an increase in restricted excess surplus. Unrestricted net position decreased primarily due to a decrease in Assigned Fund Balance. (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2020	2019	2020	2019	2020	2019	
Revenue:							
Program Revenue:							
Charges for Services	\$ 15,211	\$ 38,122	\$ 104,764	\$ 134,609	\$ 119,975	\$ 172,731	
Operating Grants & Contributions	4,069,260	4,698,165	44,502	49,566	4,113,762	4,747,731	
General Revenue:							
Property Taxes	10,909,173	10,695,268			10,909,173	10,695,268	
Unrestricted Federal & State Aid	4,195,809	4,285,240			4,195,809	4,285,240	
Other	49,794	81,572	64	75	49,858	81,647	
Total Revenue	<u>19,239,247</u>	<u>19,798,367</u>	<u>149,330</u>	<u>184,250</u>	<u>19,388,577</u>	<u>19,982,617</u>	-2.97%
Expenses:							
Instruction	9,529,631	10,310,623			9,529,631	10,310,623	
Pupil & Instruction Services	3,500,508	4,010,886			3,500,508	4,010,886	
Administration and Business	1,955,349	1,967,096			1,955,349	1,967,096	
Maintenance & Operations	1,696,402	1,730,159			1,696,402	1,730,159	
Transportation	877,504	994,046			877,504	994,046	
Other			158,758	189,310	158,758	189,310	
Total Expenses	<u>17,559,394</u>	<u>19,012,810</u>	<u>158,758</u>	<u>189,310</u>	<u>17,718,152</u>	<u>19,202,120</u>	-7.73%
Change in Net Position	<u>\$ 1,679,853</u>	<u>\$ 785,557</u>	<u>\$ (9,428)</u>	<u>\$ (5,060)</u>	<u>\$ 1,670,425</u>	<u>\$ 780,497</u>	114.02%



**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Governmental Activities**

The governmental financial position of the District increased by 49.09%. Maintaining existing programs with expected increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District’s resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased tuition costs for private schools for students with disabilities and increased insurance costs. As a result, the three municipalities in the regional district were subject to a tax increase in 2020.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented/continued during the year were:

- Participation in an insurance pool has resulted in lower costs in property, casualty, liability and workers compensation insurance.
- Shared service agreements with the Stanhope and Netcong school districts for shared positions has reduced the cost of part time positions significantly.
- A number of disabled pupils continue to be educated in programs within the District rather than being sent to private schools where the District would have to pay tuition as well as increased transportation costs.
- Participation in joint purchasing agreements for vehicle fuel with Byram Township has reduced this cost significantly.
- Participation in joint transportation agreements continues to lower the cost of special education transportation and private school transportation.

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

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

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2020	2019	2020	2019
Instruction	\$ 9,529,631	10,310,623	\$ 6,431,751	\$ 6,669,043
Pupil & Instruction Services	3,500,508	4,010,886	3,077,921	3,598,527
Administration and Business	1,955,349	1,967,096	1,635,280	1,625,982
Maintenance & Operations	1,696,402	1,730,159	1,634,169	1,561,690
Transportation	877,504	994,046	695,802	821,281
<b>Total</b>	<b>\$ 17,559,394</b>	<b>\$ 19,012,810</b>	<b>\$ 13,474,923</b>	<b>\$ 14,276,523</b>

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Business-Type Activities**

Net position from the District’s business-type activities decreased \$9,428 as a result of operating losses and a decrease in non-operating grants and contributions, which was a result of the COVID-19 outbreak. (Refer to Figure A-4).

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

The District’s financial position remains very positive despite changes in the student population and difficult economic times. Expenditures during the recent year increased slightly.

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

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

**General Fund Budgetary Highlights**

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

**Capital Asset and Long Term Liabilities**

**Figure A-6**

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2020	2019*	2020	2019	2020	2019*	
Land	\$ 98,915	\$ 98,915			\$ 98,915	\$ 98,915	
Site Improvements	5,806	7,465			5,806	7,465	
Buildings & Bldg. Imps.	5,381,571	3,993,481			5,381,571	3,993,481	
Machinery, Furniture and Equipment	965,739	953,542	\$ 9,603	\$ 11,088	975,342	964,630	
<b>Total</b>	<b>\$ 6,452,031</b>	<b>\$ 5,053,403</b>	<b>\$ 9,603</b>	<b>\$ 11,088</b>	<b>\$ 6,461,634</b>	<b>\$ 5,064,491</b>	<b>27.59%</b>

\* - Restated

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Long-Term Liabilities**

(More detailed information about the District’s long-term liabilities is presented in Note 8 to the financial statements.)

**Figure A-7  
Outstanding Long-Term Liabilities**

	Total School District		Percent Change
	2020	2019	
Compensated Absences Payable	\$ 475,051	\$ 417,036	
Net Pension Liability	2,848,023	3,142,357	
Capital Leases Payable	44,886	62,598	
Total	<u>\$ 3,367,960</u>	<u>\$ 3,621,991</u>	-7.01%

**Factors Bearing on the District’s Future**

At the time these financial statements were prepared and audited, the District was aware of an existing circumstance that could significantly affect its financial health in the future:

- Future State Aid may be reduced due to the State’s new criteria utilized in calculating allocations of State Aid and the possible elimination of the school choice program.

**Contacting the District’s Financial Management**

This financial report is designed to provide the District’s citizens, taxpayers, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert G. Klinck, Assistant Superintendent for Business, Lenape Valley Regional High School District, P.O. Box 578, Stanhope, New Jersey 07874.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,214,525	\$ 16,419	\$ 2,230,944
Receivable from State Government	83,235	360	83,595
Receivable from Federal Government	97,749	80	97,829
Other Accounts Receivable	7,408		7,408
Inventories		5,474	5,474
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	247,817		247,817
Capital Assets:			
Site (Land)	98,915		98,915
Depreciable Site Improvements, Building and Building Improvements, Furniture, Machinery and Equipment	6,353,116	9,603	6,362,719
Total Assets	9,102,765	31,936	9,134,701
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	746,928		746,928
Total Deferred Outflows of Resources	746,928		746,928
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	170,000		170,000
Unearned Revenue		1,587	1,587
Noncurrent Liabilities:			
Due Within One Year	18,602		18,602
Due Beyond One Year	3,349,358		3,349,358
Total Liabilities	3,537,960	1,587	3,539,547
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	1,210,067		1,210,067
Total Deferred Inflows of Resources	1,210,067		1,210,067
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,407,145	9,603	6,416,748
Restricted for:			
Capital Projects	247,817		247,817
Excess Surplus	2,019,351		2,019,351
Unrestricted/(Deficit)	(3,572,648)	20,746	(3,551,902)
Total Net Position	\$ 5,101,665	\$ 30,349	\$ 5,132,014

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 7,069,898	\$ 15,211	\$ 1,792,325		\$ (5,262,362)		\$ (5,262,362)
Special Education	1,302,441		947,299		(355,142)		(355,142)
Other Instruction	27,703		59,337		31,634		31,634
School Sponsored Instruction	1,129,589		283,708		(845,881)		(845,881)
Support Services:							
Tuition	648,534				(648,534)		(648,534)
Student & Instruction Related Services	2,851,974		422,587		(2,429,387)		(2,429,387)
General Administration Services	532,104		84,731		(447,373)		(447,373)
School Administration Services	587,118		126,896		(460,222)		(460,222)
Central Services	618,705		92,721		(525,984)		(525,984)
Administration Information Technology	217,422		15,721		(201,701)		(201,701)
Plant Operations and Maintenance	1,696,402		62,233		(1,634,169)		(1,634,169)
Pupil Transportation	877,504		181,702		(695,802)		(695,802)
Total Governmental Activities	17,559,394	15,211	4,069,260	\$ -0-	(13,474,923)	\$ -0-	(13,474,923)

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Functions/Programs</u>	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Business-Type Activities: Food Service	\$ 158,758	\$ 104,764	\$ 44,502	\$ (9,492)		\$ (9,492)
Total Primary Government	\$ 17,718,152	\$ 119,975	\$ 4,113,762	\$ (13,474,923)	(9,492)	(13,484,415)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				10,909,173		10,909,173
Federal and State Aid not Restricted				4,195,809		4,195,809
Miscellaneous Income				49,794	64	49,858
Total General Revenue				15,154,776	64	15,154,840
Change in Net Position				1,679,853	(9,428)	1,670,425
Net Position - Beginning (Restated)				3,421,812	39,777	3,461,589
Net Position - Ending				\$ 5,101,665	\$ 30,349	\$ 5,132,014

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



FUND FINANCIAL STATEMENTS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,214,525		\$ 2,214,525
Interfunds Receivable	97,749		97,749
Receivable from State Government	83,235		83,235
Receivable from Federal Government		\$ 97,749	97,749
Other Receivables	7,408		7,408
Restricted Cash and Cash Equivalents	247,817		247,817
<b>Total Assets</b>	<u>\$ 2,650,734</u>	<u>\$ 97,749</u>	<u>\$ 2,748,483</u>
<b>FUND BALANCES:</b>			
<b>Liabilities:</b>			
Interfunds Payable		\$ 97,749	\$ 97,749
<b>Total Liabilities</b>		<u>97,749</u>	<u>97,749</u>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Excess Surplus - 2021-2022	\$ 1,270,178		1,270,178
Excess Surplus - 2020-2021	749,173		749,173
Capital Reserve Account	247,817		247,817
<b>Assigned:</b>			
Designated for Subsequent Year's Expenditures	383,565		383,565
<b>Total Fund Balances</b>	<u>2,650,733</u>	<u>-0-</u>	<u>2,650,733</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,650,733</u>	<u>\$ 97,749</u>	
	(1.00)		

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	6,452,031
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(2,848,023)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows - Pensions	576,928
Deferred Inflows - Pensions	(1,210,067)
Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	<u>(519,937)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 5,101,665</u>

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUE:</b>			
Local Sources:			
Local Tax Levy	\$ 10,909,173		\$ 10,909,173
Tuition from Other LEA's Within the State	14,361		14,361
Tuition from Summer School	850		850
Rents and Royalties	9,548		9,548
Sale of Capital Assets	10,000		10,000
Interest Earned on Capital Reserve Funds	494		494
Miscellaneous	29,752		29,752
<b>Total - Local Sources</b>	10,974,178		10,974,178
State Sources	7,128,242		7,128,242
Federal Sources		\$ 252,467	\$ 252,467
<b>Total Revenue</b>	18,102,420	252,467	18,354,887
<b>EXPENDITURES:</b>			
Current:			
Regular Instruction	4,016,269	107,417	4,123,686
Special Education Instruction	642,953	145,050	788,003
Other Instruction	27,703		27,703
School Sponsored Instruction	711,617		711,617
Support Services and Undistributed Costs:			
Tuition	648,534		648,534
Student & Instruction Related Services	1,824,378		1,824,378
General Administration Services	352,402		352,402
School Administration Services	324,862		324,862
Central Services	392,604		392,604

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
EXPENDITURES (Cont'd):			
Support Services and Undistributed Costs: (Cont'd)			
Administrative Information Technology	\$ 138,031		\$ 138,031
Plant Operations and Maintenance	1,343,130		1,343,130
Pupil Transportation	857,713		857,713
Unallocated Benefits	4,684,432		4,684,432
Capital Outlay	1,834,557		1,834,557
Total Expenditures	17,799,185	\$ 252,467	18,051,652
Net Change in Fund Balances	303,235		303,235
Fund Balance—July 1	2,347,498		2,347,498
Fund Balance—June 30	\$ 2,650,733	\$ -0-	\$ 2,650,733

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

LENAPE 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 Change in Fund Balances - Governmental Funds (from B-2) \$ 303,235

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

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Capital Outlays	\$ 1,830,329
	Depreciation Expense	(431,701)
		1,398,628

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

(58,015)

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

17,712

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

Change in Net Pension Liability	294,334
Change in Deferred Outflows	(324,821)
Change in Deferred Inflows	48,780

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

\$ 1,679,853

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 16,419
Intergovernmental Accounts Receivable:	
State	360
Federal	80
Inventories	<u>5,474</u>
Total Current Assets	<u>22,333</u>
Non-Current Assets:	
Capital Assets:	
Depreciable Furniture, Machinery and Equipment	68,295
Less: Accumulated Depreciation	<u>(58,692)</u>
Total Non-Current Assets	<u>9,603</u>
Total Assets	<u>31,936</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Unearned Revenue - Donated Commodities	<u>1,587</u>
Total Liabilities	<u>1,587</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	9,603
Unrestricted	<u>20,746</u>
Total Net Position	<u><u>\$ 30,349</u></u>

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 51,021
Daily Sales - Non-Reimbursable Programs	49,768
Miscellaneous	3,975
	104,764
Total Operating Revenue	104,764
Operating Expenses:	
Cost of Sales - Reimbursable Programs	46,022
Cost of Sales - Nonreimbursable Programs	25,436
Salaries, Benefits & Payroll Taxes	64,394
Supplies, Insurance & Other Costs	2,475
Management Fee	9,270
Miscellaneous Expense	9,676
Depreciation Expense	1,485
	158,758
Total Operating Expenses	158,758
Operating Loss	(53,994)
Non-Operating Income:	
Interest Income	64
State Sources:	
State School Lunch Program	1,051
Seamless Summer Option	4
June Supplemental	359
Federal Sources:	
National School Lunch Program	29,719
School Breakfast Program	3,003
Seamless Summer Option	367
Food Distribution Program	9,999
	44,566
Total Non-Operating Income	44,566
Change in Net Position	(9,428)
Net Position - Beginning of Year	39,777
Net Position - End of Year	\$ 30,349

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 104,764
Payments to Food Service Vendor	(134,137)
Payments for Miscellaneous Expenses	(9,676)
Net Cash Used for Operating Activities	<u>(39,049)</u>
Cash Flows from Investing Activities:	
Interest Income	64
Net Cash Provided by Investing Activities	<u>64</u>
Cash Flows from Noncapital Financing Activities:	
School Breakfast and National Lunch Program Reimbursements	33,719
State School Program Reimbursements	1,070
Net Cash Provided by Noncapital Financing Activities	<u>34,789</u>
Net Decrease in Cash and Cash Equivalents	(4,196)
Cash and Cash Equivalents, July 1	<u>20,615</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 16,419</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (53,994)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	1,485
Food Distribution Program	9,999
Changes in Assets and Liabilities:	
(Increase) in Inventory	(2,013)
(Decrease) in Unearned Revenue	(518)
Decrease in Accounts Receivable	5,992
Net Cash Used for Operating Activities	<u><u>\$ (39,049)</u></u>
<u>Noncash Investing, Capital and Financing Activities:</u>	

The Food Service Enterprise Fund received and utilized USDA Donated Commodities through the Food Distribution Program valued at \$9,481 and \$9,999, respectively, for the fiscal year ended June 30, 2020.

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



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 265,883	\$ 3,960	\$ 26,428
Interfund Receivable		31,505	
Total Assets	<u>265,883</u>	<u>35,465</u>	<u>26,428</u>
<u>LIABILITIES:</u>			
Payroll Deductions and Withholdings	92,249		
Due to Student Groups	142,129		
Interfund Payable	31,505		
Total Liabilities	<u>265,883</u>		
<u>NET POSITION:</u>			
Held in Trust for:			
Unemployment Claims		35,465	
Scholarships			26,428
Total Net Position	<u>\$ -0-</u>	<u>\$ 35,465</u>	<u>\$ 26,428</u>

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 13,063	
Other		\$ 2,579
	<hr/>	<hr/>
Total Contributions	13,063	2,579
	<hr/>	<hr/>
Investment Earnings:		
Interest	12	57
	<hr/>	<hr/>
Net Investment Earnings	12	57
	<hr/>	<hr/>
Total Additions	13,075	2,636
	<hr/>	<hr/>
DEDUCTIONS:		
Unemployment Compensation Claims	5,482	
Scholarship Payments		5,200
	<hr/>	<hr/>
Total Deductions	5,482	5,200
	<hr/>	<hr/>
Change in Net Position	7,593	(2,564)
Net Position - Beginning of the Year	27,872	28,992
	<hr/>	<hr/>
Net Position - End of the Year	<u>\$ 35,465</u>	<u>\$ 26,428</u>

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

Capital Projects Fund:

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

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

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service 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.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 18,092,046	\$ 252,467
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	492,857	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	(482,483)	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	\$ 18,102,420	\$ 252,467
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,799,185	\$ 252,467
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	\$ 17,799,185	\$ 252,467

E. Cash and Cash Equivalents, and Investments:

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

	<u>Estimated Useful Life</u>
Buildings	50 Years
Buildings and Site Improvements	20 Years
Furniture, Machinery, Equipment and Vehicles	5 to 15 Years

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

L. Long Term Liabilities:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2020.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$2,650,733 General Fund balance at June 30, 2020, \$247,817 is restricted in the capital reserve account; \$2,019,351 is restricted as excess surplus, \$1,270,178 from the current year and \$749,173 from the prior year which must be included as anticipated revenue for the fiscal years ending June 30, 2022 and June 30, 2021, respectively in accordance with N.J.S.A. 18A:7F-7 as amended; and \$383,565 is assigned fund balance which has been included as anticipated revenue for the fiscal year ending June 30, 2021. The assigned fund balance is \$109,801 less than the assigned fund balance on the budgetary basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2021, on a GAAP basis. Additionally, there is \$372,682 of unassigned fund balance which is not reported on a GAAP basis due to the final two state aid payments not being recognized until the next fiscal year.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$482,483 (\$372,682 in unassigned fund balance and \$109,801 in fund balance assigned for subsequent year's expenditures), as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2020 for pensions. The District had deferred inflows of resources at June 30, 2020 for pensions.

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

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

R. Deficit Net Position:

There is a deficit in unrestricted governmental activities net position in the amount of \$3,572,648. The deficit is primarily due to compensated absences payable and the net pension liability.

This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus and a capital reserve account.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have any committed resources at June 30, 2020.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District had assigned resources for amounts designed for subsequent year's expenditures in the General Fund at June 30, 2020.

T. Revenue - Exchange and Non-exchange Transactions:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

T. Revenue - Exchange and Non-exchange Transactions: (Cont'd)

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

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

W. Pensions

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Investments:

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Investments: (Cont'd)

- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital Reserve	Total
Checking Accounts	\$ 2,527,214	\$ 247,817	\$ 2,775,031

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$2,775,031 and the bank balance was \$3,129,737.



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	(Restated) Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 98,915			\$ 98,915
Total Capital Assets not being Depreciated	98,915			98,915
Capital Assets being Depreciated:				
Site Improvements	82,940			82,940
Buildings and Building Improvements	10,736,427	\$ 1,658,784		12,395,211
Furniture, Machinery and Equipment	3,307,826	171,545		3,479,371
Total Capital Assets being Depreciated	14,127,193	1,830,329		15,957,522
Governmental Activities Capital Assets	14,226,108	1,830,329		16,056,437
Less Accumulated Depreciation for:				
Site Improvements	(75,475)	(1,659)		(77,134)
Buildings and Building Improvements	(6,742,946)	(270,694)		(7,013,640)
Furniture, Machinery and Equipment	(2,354,284)	(159,348)		(2,513,632)
Total Accumulated Depreciation	(9,172,705)	(431,701)		(9,604,406)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 5,053,403	\$ 1,398,628	\$ - 0 -	\$ 6,452,031

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 4. CAPITAL ASSETS (Cont' d)

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 68,295			\$ 68,295
Less Accumulated Depreciation	(57,207)	\$ (1,485)		(58,692)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 11,088	\$ (1,485)	\$ - 0 -	\$ 9,603
Total Governmental and Business-Type Activities	\$ 5,064,491	\$ 1,397,143	\$ - 0 -	\$ 6,461,634

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 153,705
Special Education Instruction	24,606
Other Instruction	28,294
Student and Instruction Related Services	94,640
General Administrative Services	13,487
School Administrative Services	12,433
Central Services	15,025
Administrative Information Technology	5,283
Plant Operations and Maintenance	51,403
Pupil Transportation	32,825
Total Depreciation	\$ 431,701

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, the District transferred \$6,800 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 6. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Lenape Valley Regional High School District by inclusion of \$5,000 on August 13, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the General Fund annual budget.

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

The activity of the capital reserve for fiscal year ending June 30, 2020 is as follows:

Beginning Balance at July 1, 2019	\$	247,323
Interest Earnings		494
Ending Balance at June 30, 2020	\$	247,817

The balance in the capital reserve account did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP.

NOTE 7. OPERATING LEASES

The District has no commitments to lease copying equipment, postage equipment and computers under operating leases.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2019</u>	<u>Issued/</u> <u>Accrued</u>	<u>Matured/</u> <u>Retired</u>	<u>Balance</u> <u>6/30/2020</u>
Capital Lease Payable	\$ 62,598		\$ 17,712	\$ 44,886
Net Pension Liability	3,142,357		294,334	2,848,023
Compensated Absences Payable	417,036	\$ 58,015		475,051
	<u>\$ 3,621,991</u>	<u>\$ 58,015</u>	<u>\$ 312,046</u>	<u>\$ 3,367,960</u>

A. Bonds Payable:

The District had no bonds outstanding as of June 30, 2020.

B. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board had no bonds authorized but not issued.

C. Capital Leases Payable:

The District is leasing buses totaling \$44,886 under capital leases at June 30, 2020. All capital leases are for terms of five years. The District has entered into capital leases totaling \$94,866 of which \$49,980 has been liquidated as of June 30, 2020. The General Fund will be used to liquidate capital leases payable. The following is a schedule of the future minimum lease payments under capital leases and the present value of the net minimum lease payments at June 30, 2020:

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Amount</u>
2021	\$ 20,880
2022	14,158
2023	14,158
	<u>49,196</u>
Less: Amount representing interest	<u>(4,310)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 44,886</u>

The current portion is \$18,602 and the long-term portion is \$26,284.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$-0- and the long-term portion is \$475,051.

The District had no liability at June 30, 2020 for compensated absences associated with its Food Service Enterprise Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$2,848,023. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: The Public Employee's Retirement System (PERS) of New Jersey; or the Teachers' Pension and Annuity Fund (TPAF) or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$154,381 for 2020.

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

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

At June 30, 2020, the District reported a liability of \$2,848,023 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.015806%, which was an decrease of 0.00015% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$153,747. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 7,527	
	2015	5.72	46,540	
	2016	5.57	230,319	
	2017	5.48		\$ (408,844)
	2018	5.63		(330,384)
	2019	5.21		(249,312)
			284,386	(988,540)
Changes in Proportion	2014	6.44		(9,471)
	2015	5.72	11,043	
	2016	5.57	10,468	
	2017	5.48		(126,435)
	2018	5.63	219,913	
	2019	5.21		(28,083)
			241,424	(163,989)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		52,567
	2017	5.00		(63,083)
	2018	5.00		(43,879)
	2019	5.00		9,438
				(44,957)
Difference Between Expected and Actual Experience	2015	5.72	12,912	
	2016	5.57	6,990	
	2017	5.48	12,159	
	2018	5.63		(12,581)
	2019	5.21	19,057	
			51,118	(12,581)
District Contribution Subsequent to the Measurement Date	2019	1.00	170,000	
			\$ 746,928	\$ (1,210,067)

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2020	\$ (82,238)
2021	(266,778)
2022	(238,217)
2023	(111,855)
2024	(11,486)
	\$ (710,574)

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:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 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 a 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 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, 2014 to June 30, 2018.



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected\_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management 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 Market 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 based on 100% of actuarially determined contributions for 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.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 3,597,516	\$ 2,848,023	\$ 2,216,469

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. 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.

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

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, 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 nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$1,282,472 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,204,914.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$37,382,404. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0609%, which was a decrease of 0.508% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>37,382,404</u>
Total	<u><u>\$ 37,382,404</u></u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$2,204,914 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5		(431,855,192)
	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
			<u>163,369,676</u>	
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

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:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
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 a 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.

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

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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 Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

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

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

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 made on 70% of the actuarially determined contribution rates for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension 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.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 44,082,129	\$ 37,382,404	\$ 31,823,749

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$3,500 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$8,466 for the fiscal year ended June 30, 2020.

NOTE 10. 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, Liability and Health Benefits

The District maintains commercial insurance coverage for student accident and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The Board is a member of the School Alliance Insurance Fund ("SAIF). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

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



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

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

The financial information for the fiscal year ending June 30, 2020 was not available as of the date of the audit. Selected financial information for the SAIF as of June 30, 2019 is as follows:

Total Assets	<u>\$ 48,410,942</u>
Net Position	<u>\$ 18,917,987</u>
Total Revenue	<u>\$ 41,974,396</u>
Total Expenses	<u>\$ 35,489,346</u>
Change in Net Position	<u>\$ 6,485,050</u>
Members Dividends	<u>\$ -0-</u>

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

Public Entity Group Administrative Services  
51 Everett Drive Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

New Jersey Unemployment Compensation Insurance

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

The following is a summary of the District's contributions, employee contributions and interest, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Trust Fiduciary Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee and District Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 13,075	\$ 5,482	\$ 35,465
2018-2019	32,943	33,745	27,872
2017-2018	32,888	22,202	28,674

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Health Benefits

The Board is a member of the Schools Health Insurance Fund ("HIF"). The HIF provides its members with Health Benefit coverage. The HIF is a risk-sharing pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the HIF are elected.

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

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

The June 30, 2020 audit report is not available as of the date of this report. Selected summarized financial information for HIF as of June 30, 2019 is as follows:

Total Assets	<u>\$ 117,161,935</u>
Net Position	<u>\$ 88,437,915</u>
Total Revenue	<u>\$ 243,500,836</u>
Total Expenses	<u>\$ 217,892,628</u>
Change in Net Position	<u>\$ 25,608,208</u>
Members Dividends	<u>\$ 6,222,844</u>

Financial Statements for HIF are available at PERMA's Executive Director's Office:

PERMA Risk Management Services  
9 Campus Drive  
Suite 216  
Parsippany, NJ 07054

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(Continued)

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund receivable and payable at June 30, 2020.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 97,749	
Special Revenue Fund		\$ 97,749
Fiduciary Funds:		
Unemployment Compensation Trust	31,505	
Payroll Agency		31,505
	\$ 129,254	\$ 129,254

The interfund receivable in the Unemployment Compensation Trust Fund represents employee unemployment contributions not remitted to the trust fund. The interfund receivable in the General Fund and the interfund payable in the Special Revenue Fund represents a transfer to cover a cash deficit.

NOTE 13. 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 Life Assurance
- Metropolitan Life Insurance Company
- Lincoln Investment
- Variable Annuity Life Insurance Company (V.A.L.I.C.)

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

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipalities and are remitted to the regional school district on predetermined, agreed-upon schedules.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

The District is periodically involved in certain types of lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

The District did not have any encumbrances at June 30, 2020.

NOTE 16. ACCOUNTS PAYABLE

	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>
Due to State of New Jersey	<u>\$ 170,000</u>	<u>\$ 170,000</u>

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(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	<u>216,892</u>
Total	<u><u>364,943</u></u>

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service

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.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement 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.

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 is reflected. The assumed post-65 medical trend rate 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 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%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2017	\$ 27,052,718
Changes for Year:	
Service Cost	866,324
Interest on the Total OPEB Liability	1,066,313
Changes of Assumptions	(3,823,899)
Differences between Expected and Actual Experience	369,660
Gross Benefit Payments by the State	22,560
Contributions from Members	(761,059)
Net Changes	(2,260,101)
Balance at June 30, 2018	\$ 24,792,617

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 29,289,878	\$ 24,792,617	\$ 21,220,239

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 20,428,011	\$ 24,792,617	\$ 30,570,459

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$446,223 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption Changes	2017	9.54		\$ 2,886,362
Assumption Changes	2018	9.51		2,482,662
Assumption Changes	2019	9.29	\$ 329,869	
			<u>329,869</u>	<u>5,369,024</u>
Differences Between Expected and Actual Experience	2018	9.51		2,346,888
	2019	9.29		3,882,574
				<u>6,229,462</u>
Changes in Proportion	N/A	N/A	404,684	307,489
			<u>\$ 734,553</u>	<u>\$ 11,905,975</u>

N/A - Not Available

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

Fiscal Year Ending June 30,	Total
2019	\$ (1,512,975)
2020	(1,512,975)
2021	(1,512,975)
2022	(1,512,975)
2023	(1,512,975)
Thereafter	<u>(3,703,742)</u>
	<u>\$ (11,268,617)</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 18. PRIOR YEAR ADJUSTMENTS

The District made a prior year adjustment to the District Wide Financial Statements to record an adjustment to correct the amount capital assets recorded as of June 30, 2019.

	Balance 6/30/19 as Previously Reported	Retroactive Adjustments	Balance 6/30/19 as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
Statement of Net Position:			
Assets:			
Capital Assets:			
Depreciable Site Improvements, Building and Building Improvements, Furniture, Machinery and Equipment	\$ 5,324,285	\$ (369,797)	\$ 4,954,488
Total Assets	8,381,822	(369,797)	8,012,025
Net Position:			
Net Investment in Capital Assets	5,360,602	(369,797)	4,990,805
Total Net Position	3,791,609	(369,797)	3,421,812

NOTE 19. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2020 as the school closed in mid-March 2020 and only Seamless Summer Option meals were served. The District will continue to serve only Seamless Summer Option meals in the 2020-2021 school year.

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0150859020%	0.0155418236%	0.0157287536%	0.0144473211%	0.0159595540%	0.0158061212%
District's proportionate share of the Net Pension Liability	\$ 2,824,493	\$ 3,488,828	\$ 4,658,406	\$ 3,363,105	\$ 3,142,357	\$ 2,848,023
District's covered employee payroll	\$ 1,057,741	\$ 1,052,588	\$ 968,707	\$ 977,515	\$ 1,017,216	\$ 1,026,740
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	267.03%	331.45%	480.89%	344.05%	308.92%	277.39%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 124,366	\$ 133,618	\$ 140,624	\$ 135,229	\$ 160,487	\$ 154,381
Contributions in relation to the contractually Required Contribution	(124,366)	(133,618)	(140,624)	(135,229)	(160,487)	(154,381)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 1,052,588	\$ 968,707	\$ 977,515	\$ 1,017,216	\$ 1,026,740	\$ 1,050,529
Contributions as a percentage of covered employee payroll	11.82%	13.79%	14.39%	13.29%	15.63%	14.70%

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

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.0675761920%	0.0627055215%	0.0606394365%	0.0596031525%	0.0568644889%	0.0609122201%
State's proportionate share of the net pension liability attributable to the District	\$ 36,117,275	\$ 39,632,567	\$ 39,632,530	\$ 40,186,595	\$ 37,843,505	\$ 37,382,404
District's covered employee payroll	\$ 6,172,786	\$ 5,962,659	\$ 6,080,949	\$ 6,280,801	\$ 6,208,185	\$ 6,450,603
State's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	585.10%	664.68%	651.75%	639.83%	609.57%	579.52%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S CONTRIBUTIONS  
ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contributions	\$ 1,943,449	\$ 2,419,925	\$ 3,584,206	\$ 2,783,924	\$ 2,206,144	\$ 2,204,914
Contributions in relation to the contractually required contribution	(339,009)	(336,996)	(646,977)	(876,014)	(1,197,997)	(1,282,472)
Contribution deficiency/(excess)	<u>\$ 1,604,440</u>	<u>\$ 2,082,929</u>	<u>\$ 2,937,229</u>	<u>\$ 1,907,910</u>	<u>\$ 1,008,147</u>	<u>\$ 922,442</u>
District's covered employee payroll	\$ 5,962,659	\$ 6,080,949	\$ 6,280,801	\$ 6,208,185	\$ 6,450,603	\$ 6,158,596
Contributions as a percentage of covered employee payroll	26.91%	34.25%	46.77%	30.73%	15.63%	14.98%

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

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

	Fiscal Year Ending June 30,		
	2017	2018	2019
Service Cost	\$ 1,174,373	\$ 976,163	\$ 866,324
Interest Cost	1,001,716	1,159,701	1,066,313
Differences between Expected and Actual Experience		(3,044,167)	(3,823,899)
Changes in Assumptions	(4,028,993)	(3,104,435)	369,660
Member Contributions	27,091	25,001	22,560
Gross Benefit Payments	(735,718)	(723,380)	(761,059)
Net Change in Total OPEB Liability	(2,591,531)	(4,711,117)	(2,260,101)
Total OPEB Liability - Beginning	34,325,366	31,763,835	27,052,718
Total OPEB Liability - Ending	<u>\$ 31,763,835</u>	<u>\$ 27,052,718</u>	<u>\$ 24,792,617</u>
State's Covered Employee Payroll *	\$ 7,049,656	\$ 7,258,316	\$ 7,477,343
Total OPEB Liability as a Percentage of Covered Employee Payroll	453%	384%	332%

\* - Covered payroll for the fiscal years ending June 30, 2017, June 30, 2018 and June 30, 2019 are based on the payroll on the June 30, 2017, June 30, 2018 and June 30, 2019 census data.

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



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 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 a 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 on a generational basis. Mortality improvement is based on Scale MP-2019.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: 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 a 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 mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes in Actuarial Assumptions

The discount rate changed from 3.85% as of June 30, 2017 to 3.87% as of June 30, 2018.

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

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

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement 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 health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post 65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The assumed Medicare Advantage trend rate is 4.5% in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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 is reflected. The assumed post-65 medical trend rate 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 10,909,173		\$ 10,909,173	\$ 10,909,173	
Tuition from Other LEAs Within the State				14,361	\$ 14,361
Tuition from Summer School				850	850
Rents and Royalties	9,135		9,135	9,548	413
Sale of Capital Assets				10,000	10,000
Interest Earned on Capital Reserve Funds	1,000		1,000	494	(506)
Unrestricted Miscellaneous Revenues	30,000		30,000	29,752	(248)
<b>Total - Local Sources</b>	<b>10,949,308</b>		<b>10,949,308</b>	<b>10,974,178</b>	<b>24,870</b>
State Sources:					
Categorical Special Education Aid	464,408		464,408	464,408	
Equalization Aid	3,502,802		3,502,802	3,502,802	
Categorical Security Aid	20,481		20,481	20,481	
Categorical Transportation Aid	177,329		177,329	177,329	
School Choice Aid	662,154		662,154	662,154	
Extraordinary Aid				59,757	59,757
Additional Non-public Transportation Aid				1,529	1,529
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,282,472	1,282,472
On-Behalf NCGI Premium (Non-Budgeted)				22,987	22,987
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				484,302	484,302
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				922	922
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				438,725	438,725
<b>Total State Sources</b>	<b>4,827,174</b>		<b>4,827,174</b>	<b>7,117,868</b>	<b>2,290,694</b>
<b>TOTAL REVENUES</b>	<b>15,776,482</b>		<b>15,776,482</b>	<b>18,092,046</b>	<b>2,315,564</b>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs:					
Grades 9-12 - Salaries of Teachers	\$ 3,934,382	\$ (72,176)	\$ 3,862,206	\$ 3,694,405	\$ 167,801
Regular Programs - Home Instruction:					
Salaries of Teachers	45,000	11,500	56,500	55,736	764
Purchased Professional - Educational Services		22,000	22,000	17,039	4,961
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	18,000	(120)	17,880	8,375	9,505
Purchased Technical Services	1,200	120	1,320	1,320	
Other Purchased Services (400-500 Series)	88,900		88,900	65,696	23,204
General Supplies	176,300	(923)	175,377	166,983	8,394
Textbooks	19,600		19,600	5,672	13,928
Other Objects	1,500		1,500	1,043	457
<b>Total Regular Programs - Instruction</b>	<u>4,284,882</u>	<u>(39,599)</u>	<u>4,245,283</u>	<u>4,016,269</u>	<u>229,014</u>
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	54,667		54,667	54,667	
Other Salaries for Instruction	31,000	22,715	53,715	53,715	
General Supplies	1,750		1,750	1,340	410
<b>Total Cognitive - Mild</b>	<u>87,417</u>	<u>22,715</u>	<u>110,132</u>	<u>109,722</u>	<u>410</u>
Cognitive - Moderate:					
Salaries of Teachers	55,010		55,010	52,813	2,197
Other Salaries for Instruction		36,000	36,000	36,000	
<b>Total Cognitive - Moderate</b>	<u>55,010</u>	<u>36,000</u>	<u>91,010</u>	<u>88,813</u>	<u>2,197</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Multiple Disabilities:					
Salaries of Teachers	\$ 76,495	(76,495)	\$ 58,065	\$ 58,065	
Total Multiple Disabilities	40,400	(36,000)	58,065	58,065	
Behavioral Disabilities:	400		400	250	\$ 2,380
Salaries of Teachers	117,295	(112,495)	4,800	2,270	150
Other Salaries for Instruction			4,400	2,020	\$ 2,380
General Supplies			400	250	150
Total Behavioral Disabilities			4,800	2,270	2,530
Resource Room/Resource Center:					
Salaries of Teachers	394,752	(11,000)	383,752	383,752	
General Supplies	600		600	331	269
Total Resource Room/Resource Center	395,352	(11,000)	384,352	384,083	269
Total Special Education Instruction	655,074	(6,715)	648,359	642,953	5,406
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	35,949		35,949	9,585	26,364
General Supplies	300		300	38	262
Total Basic Skills/Remedial - Instruction	36,249		36,249	9,623	26,626
Bilingual Education - Instruction:					
Salaries of Teachers	14,378		14,378	14,378	
General Supplies	200		200	36	164
Total Bilingual Education - Instruction	14,578		14,578	14,414	164

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 145,560	\$ 5,000	\$ 150,560	\$ 149,410	\$ 1,150
Purchased Services (300-500 Series)	30,000		30,000	15,019	14,981
Supplies and Materials	20,000		20,000	19,945	55
Other Objects	3,000		3,000	350	2,650
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>198,560</b>	<b>5,000</b>	<b>203,560</b>	<b>184,724</b>	<b>18,836</b>
School-Sponsored Athletics - Instruction:					
Salaries	389,951		389,951	383,153	6,798
Purchased Services (300-500 Series)	37,500	3,500	41,000	32,310	8,690
Supplies and Materials	69,500	(8,719)	60,781	54,311	6,470
Other Objects	6,400	719	7,119	7,119	
Transfer to Cover Deficit (Agency Funds)	50,000		50,000	50,000	
<b>Total School-Sponsored Athletics - Instruction</b>	<b>553,351</b>	<b>(4,500)</b>	<b>548,851</b>	<b>526,893</b>	<b>21,958</b>
Other Instructional Programs - Instruction:					
Salaries	5,500		5,500	3,666	1,834
<b>Total Other Instructional Programs - Instruction</b>	<b>5,500</b>		<b>5,500</b>	<b>3,666</b>	<b>1,834</b>
<b>Total Instruction</b>	<b>5,748,194</b>	<b>(45,814)</b>	<b>5,702,380</b>	<b>5,398,542</b>	<b>303,838</b>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within State - Regular	20,000	16,919	36,919	36,919	
Tuition to Other LEAs Within State - Special	216,000	(23,719)	192,281	144,331	47,950
Tuition to County Vocational School District - Regular	191,654	(18,830)	172,824	155,360	17,464
Tuition to County Vocational School District - Special	42,245	18,830	61,075	59,738	1,337
Tuition to Private Schools for the Handicapped - Within State	475,299	(18,610)	456,689	252,186	204,503
<b>Total Undistributed Expenditures - Instruction:</b>	<b>945,198</b>	<b>(25,410)</b>	<b>919,788</b>	<b>648,534</b>	<b>271,254</b>



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Attendance and Social Work:					
Salaries	\$ 28,520	\$ 112	\$ 28,632	\$ 28,632	
Total Attendance and Social Work	<u>28,520</u>	<u>112</u>	<u>28,632</u>	<u>28,632</u>	
Health Services:					
Salaries	88,980	25,230	114,210	107,706	\$ 6,504
Purchased Professional and Technical Services	4,500	350	4,850	4,802	48
Other Purchased Services (400-500 Series)	100		100	100	100
Supplies and Materials	4,400	573	4,973	4,846	127
Total Health Services	<u>97,980</u>	<u>26,153</u>	<u>124,133</u>	<u>117,354</u>	<u>6,779</u>
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	23,302	5,000	28,302	23,302	5,000
Purchased Professional - Educational Services	155,100		155,100	107,691	47,409
Supplies and Materials	1,200		1,200	608	592
Total Other Support Services - Speech, OT, PT and Related Services	<u>179,602</u>	<u>5,000</u>	<u>184,602</u>	<u>131,601</u>	<u>53,001</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	179,840	(7,400)	172,440	156,092	16,348
Total Other Support Services - Students - Extraordinary Services	<u>179,840</u>	<u>(7,400)</u>	<u>172,440</u>	<u>156,092</u>	<u>16,348</u>
Other Support Services - Guidance:					
Salaries of Other Professional Staff	440,810	13,990	454,800	452,150	2,650
Salaries of Secretarial and Clerical Assistants	60,826		60,826	60,826	
Other Purchased Professional and Technical Services	22,000	4,502	26,502	26,502	
Other Purchased Services (400-500 Series)	4,300		4,300	2,884	1,416
Supplies and Materials	5,000	(620)	4,380	2,357	2,023
Other Objects	900		900	805	95
Total Other Support Services - Guidance	<u>533,836</u>	<u>17,872</u>	<u>551,708</u>	<u>545,524</u>	<u>6,184</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	\$ 248,745		\$ 248,745	\$ 246,945	\$ 1,800
Salaries of Secretarial and Clerical Assistants	39,750		39,750	39,750	
Other Purchased Professional and Technical Services	35,000	\$ 1,010	36,010	15,348	20,662
Miscellaneous Purchased Services (400-500 series)	1,900	(400)	1,500	839	661
Supplies and Materials	3,000		3,000	2,746	254
Total Other Support Services - Child Study Team	328,395	610	329,005	305,628	23,377
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	297,174	477	297,651	297,651	
Salaries of Other Professional Staff	10,000		10,000		10,000
Salaries of Secretarial and Clerical Assistants	52,759	599	53,358	53,358	
Salaries of Facilitators, Math & AMP; Literacy Coaches	42,375	3,531	45,906	42,375	3,531
Other Objects	4,500	570	5,070	5,070	
Total Improvement of Instructional Services	406,808	5,177	411,985	398,454	13,531
Educational Media Services/School Library:					
Salaries	76,495		76,495	76,495	
Supplies and Materials	83,200	(862)	82,338	63,598	18,740
Other Objects	100		100		100
Total Educational Media Services/School Library	159,795	(862)	158,933	140,093	18,840
Instructional Staff Training Services:					
Purchased Professional - Educational Services	5,000		5,000	1,000	4,000
Total Instructional Staff Training Services	5,000		5,000	1,000	4,000

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - General Administration:					
Salaries	\$ 229,006		\$ 229,006	\$ 229,006	
Legal Services	20,000	\$ 25,349	45,349	45,349	
Audit Fees	18,800	1,200	20,000	20,000	
Other Purchased Professional Services		4,329	4,329	3,864	\$ 465
Communications/Telephone	11,800	653	12,453	12,453	
BOE Other Purchased Services	4,000		4,000	3,322	678
Miscellaneous Purchased Services (400-500 Series)	36,100	(6,200)	29,900	26,880	3,020
General Supplies	2,400		2,400	2,169	231
BOE Membership Dues and Fees	10,000		10,000	9,359	641
Total Support Services - General Administration	332,106	25,331	357,437	352,402	5,035
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	212,589		212,589	212,589	
Salaries of Other Professional Staff	50,051		50,051	50,050	1
Salaries of Secretarial and Clerical Assistants	36,449	968	37,417	37,417	
Other Purchased Services (400-500 Series)	14,400	2,343	16,743	14,378	2,365
Supplies and Materials	12,000	(1,723)	10,277	8,738	1,539
Other Objects	2,000		2,000	1,690	310
Total Support Services - School Administration	327,489	1,588	329,077	324,862	4,215
Central Services:					
Salaries	336,715		336,715	336,715	
Purchased Professional Services	20,000		20,000	19,635	365
Purchased Technical Services	16,000	863	16,863	16,863	
Miscellaneous Purchased Services (400-500 Series)	16,000		16,000	15,171	829
Supplies and Materials	3,000		3,000	2,928	72
Miscellaneous Expenditures	1,500		1,500	1,292	208
Total Central Services	393,215	863	394,078	392,604	1,474

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Administrative Information Technology:					
Salaries	\$ 141,084		\$ 141,084	\$ 138,031	\$ 3,053
Total Administrative Information Technology	<u>141,084</u>		<u>141,084</u>	<u>138,031</u>	<u>3,053</u>
Required Maintenance of School Facilities:					
Salaries	86,650		86,650	86,650	
Cleaning, Repair and Maintenance Services	200,000		200,000	198,646	1,354
General Supplies	30,000		30,000	20,518	9,482
Total Required Maintenance of School Facilities	<u>316,650</u>		<u>316,650</u>	<u>305,814</u>	<u>10,836</u>
Custodial Services:					
Salaries	269,750		269,750	247,528	22,222
Purchased Professional and Technical Services	8,000		8,000	4,750	3,250
Cleaning, Repair and Maintenance Services	24,000		24,000	18,528	5,472
Other Purchased Property Services	20,000		20,000	9,803	10,197
Insurance	155,000		155,000	155,000	
Miscellaneous Purchased Services	1,000		1,000	566	434
General Supplies	90,000	\$ (600)	89,400	81,989	7,411
Energy (Electricity)	220,000	(2,300)	217,700	174,327	43,373
Energy (Oil)	160,000	(15,000)	145,000	85,390	59,610
Other Objects	1,000	600	1,600	1,519	81
Total Custodial Services	<u>948,750</u>	<u>(17,300)</u>	<u>931,450</u>	<u>779,400</u>	<u>152,050</u>
Care and Upkeep of Grounds:					
Salaries	142,200		142,200	142,200	
Purchased Professional and Technical Services	6,000		6,000	110	5,890
Cleaning, Repair and Maintenance Services	38,000		38,000	16,966	21,034
General Supplies	45,000		45,000	22,731	22,269
Total Care and Upkeep of Grounds	<u>231,200</u>		<u>231,200</u>	<u>182,007</u>	<u>49,193</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Security:					
Salaries	\$ 70,840	\$ 5,069	\$ 75,909	\$ 75,909	
Total Security	<u>70,840</u>	<u>5,069</u>	<u>75,909</u>	<u>75,909</u>	
Student Transportation Services:					
Salary for Pupil Transportation (Between Home & School) - Non-Public Schools	103,000	2,111	105,111	105,111	
Management Fee - ESC & CTSA Transportation Program	20,848		20,848	17,436	\$ 3,412
Cleaning, Repair and Maintenance Services	13,000	2,962	15,962	13,709	2,253
Lease Purchase Payments - School Buses	43,200		43,200	42,377	823
Contracted Services:					
Between Home and School - Vendors	535,000		535,000	474,500	60,500
Other than Between Home and School - Vendors	7,000		7,000	1,446	5,554
Special Education Students - Vendors	185,200		185,200	182,073	3,127
Aid in Lieu Payments - Nonpublic School	14,000		14,000	9,467	4,533
Miscellaneous Purchased Services - Transportation	1,500	210	1,710	1,660	50
General Supplies	25,000	(3,072)	21,928	9,934	11,994
Total Student Transportation Services	<u>947,748</u>	<u>2,211</u>	<u>949,959</u>	<u>857,713</u>	<u>92,246</u>
Unallocated Benefits:					
Social Security Contributions	171,000	6,932	177,932	177,932	
Other Retirement Contribution - PERS	170,000	(6,932)	163,068	154,381	8,687
Other Retirement Contribution - Regular	3,500		3,500	3,500	
Unemployment Compensation	20,000		20,000		20,000
Workmen's Compensation	115,000		115,000	104,502	10,498
Health Benefits	2,258,220		2,258,220	1,919,178	339,042
Tuition Reimbursement	30,000		30,000	8,081	21,919
Other Employee Benefits	77,000	13,200	90,200	87,450	2,750
Unused Sick Payment to Terminated/Retired Staff	30,000	(13,200)	16,800		16,800
Total Unallocated Benefits	<u>2,874,720</u>		<u>2,874,720</u>	<u>2,455,024</u>	<u>419,696</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				\$ 1,282,472	\$ (1,282,472)
On-Behalf NCGI Premium (Non-Budgeted)				22,987	(22,987)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				484,302	(484,302)
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				922	(922)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				438,725	(438,725)
Total On-Behalf and Reimbursed Contributions				2,229,408	(2,229,408)
Total Undistributed Expenses	\$ 9,448,776	\$ 39,014	\$ 9,487,790	10,566,086	(1,078,296)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	15,196,970	(6,800)	15,190,170	15,964,628	(774,458)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Instruction - Cocurricular Athletics		4,500	4,500	4,500	
Administrative Information Technology	12,000		12,000		12,000
Required Maintenance for School Facilities	165,000	(4,700)	160,300	160,294	6
Transportation - School Buses - Regular		7,000	7,000	6,750	250
Total Equipment	177,000	6,800	183,800	171,544	12,256
Facilities Acquisition and Construction Services:					
Construction Services	1,753,000		1,753,000	1,607,674	145,326
Architectural/Engineering Services	53,000		53,000	53,000	
Assessment for Debt Service on SDA Funding	2,339		2,339	2,339	
Total Facilities Acquisition and Construction Services	1,808,339		1,808,339	1,663,013	145,326
<b>TOTAL CAPITAL OUTLAY</b>	1,985,339	6,800	1,992,139	1,834,557	157,582
<b>TOTAL EXPENDITURES</b>	17,182,309		17,182,309	17,799,185	(616,876)

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (1,405,827)		\$ (1,405,827)	\$ 292,861	\$ 1,698,688
Fund Balance, July 1	2,840,355		2,840,355	2,840,355	
Fund Balance, June 30	\$ 1,434,528	\$ -0-	\$ 1,434,528	\$ 3,133,216	\$ 1,698,688

Recapitulation:

Restricted:	
Excess Surplus - 2021-2022	\$ 1,270,178
Excess Surplus - 2020-2021	749,173
Capital Reserve	247,817
Assigned:	
Designated for Subsequent Year's Expenditures	493,366
Unassigned Fund Balance	372,682
	3,133,216
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments not Recognized on GAAP Basis	(482,483)
Fund Balance per Governmental Funds (GAAP)	\$ 2,650,733

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 200,014	\$ 75,986	\$ 276,000	\$ 252,467	\$ (23,533)
<b>Total Revenues</b>	<u>200,014</u>	<u>75,986</u>	<u>276,000</u>	<u>252,467</u>	<u>(23,533)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	145,002	(1,568)	143,434	143,434	
Other Purchased Services		4,000	4,000		4,000
General Supplies		10,000	10,000	10,000	
Textbooks	8,500	(2,500)	6,000		6,000
<b>Total Instruction</b>	<u>153,502</u>	<u>9,932</u>	<u>163,434</u>	<u>153,434</u>	<u>10,000</u>
Support Services:					
Personal Services - Employee Benefits	32,784	22,310	55,094	51,622	3,472
Other Purchased Services	13,728	13,848	27,576	17,583	9,993
Supplies and Materials		29,896	29,896	29,828	68
<b>Total Support Services</b>	<u>46,512</u>	<u>66,054</u>	<u>112,566</u>	<u>99,033</u>	<u>13,533</u>
<b>Total Expenditures</b>	<u>\$ 200,014</u>	<u>\$ 75,986</u>	<u>\$ 276,000</u>	<u>\$ 252,467</u>	<u>\$ 23,533</u>



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 18,092,046	\$ 252,467
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	492,857	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(482,483)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 18,102,420	\$ 252,467
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,799,185	\$ 252,467
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 17,799,185	\$ 252,467

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote by the Board of Education in March, 2019. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act		I.D.E.A. Part B, Basic		CARES ACT	Totals June 30, 2020
	Title I	Title II, Part A				
REVENUE:						
Federal Sources	\$ 50,006	\$ 7,583	\$ 145,050		\$ 49,828	\$ 252,467
Total Revenue	50,006	7,583	145,050		49,828	252,467
EXPENDITURES:						
Instruction:						
Salaries of Teachers	36,772		106,662			143,434
General Supplies					10,000	10,000
Total Instruction	36,772		106,662		10,000	153,434
Support Services:						
Personal Services - Employee Benefits	13,234		38,388			51,622
Other Purchased Services		7,583			10,000	17,583
Supplies and Materials					29,828	29,828
Total Support Services	13,234	7,583	38,388		39,828	99,033
Total Expenditures	\$ 50,006	\$ 7,583	\$ 145,050		\$ 49,828	\$ 252,467

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 16,419
Intergovernmental Accounts Receivable:	
State	360
Federal	80
Inventories	<u>5,474</u>

Total Current Assets	<u>22,333</u>
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## Non-Current Assets:

## Capital Assets:

Depreciable Furniture, Machinery & Equipment	68,295
Less: Accumulated Depreciation	<u>(58,692)</u>

Total Non-Current Assets	<u>9,603</u>
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Total Assets	<u>31,936</u>
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LIABILITIES:

## Current Liabilities:

Unearned Revenue - Donated Commodities	<u>1,587</u>
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Total Liabilities	<u>1,587</u>
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NET POSITION:

Investment in Capital Assets	9,603
Unrestricted	<u>20,746</u>

Total Net Position	<u>\$ 30,349</u>
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LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 51,021
Daily Sales - Non-Reimbursable Programs	49,768
Miscellaneous	3,975
	<hr/>
Total Operating Revenue	104,764
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	46,022
Cost of Sales - Non-Reimbursable Programs	25,436
Salaries, Benefits & Payroll Taxes	64,394
Supplies, Insurance & Other Costs	2,475
Management Fee	9,270
Miscellaneous Expense	9,676
Depreciation Expense	1,485
	<hr/>
Total Operating Expenses	158,758
	<hr/>
Operating Loss	(53,994)
Non-Operating Income:	
Interest Income	64
State Sources:	
State School Lunch Program	1,051
Seamless Summer Option	4
June Supplemental	359
Federal Sources:	
National School Lunch Program	29,719
School Breakfast Program	3,003
Seamless Summer Option	367
Food Distribution Program	9,999
	<hr/>
Total Non-Operating Income	44,566
	<hr/>
Change in Net Position	(9,428)
Net Position - Beginning of Year	39,777
	<hr/>
Net Position - End of Year	\$ 30,349
	<hr/> <hr/>



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 104,764
Payments to Food Service Vendor	(134,137)
Payments for Miscellaneous Expenses	<u>(9,676)</u>
Net Cash Used for Operating Activities	<u>(39,049)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>64</u>
Net Cash Provided by Investing Activities	<u>64</u>
Cash Flows from Noncapital Financing Activities:	
School Breakfast and National Lunch Program Reimbursements	33,719
State School Program Reimbursements	<u>1,070</u>
Net Cash Provided by Noncapital Financing Activities	<u>34,789</u>
Net Decrease in Cash and Cash Equivalents	(4,196)
Cash and Cash Equivalents, July 1	<u>20,615</u>
Cash and Cash Equivalents, June 30	<u>\$ 16,419</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (53,994)
Adjustment to Reconcile Operating Loss to Cash	
Used for Operating Activities:	
Depreciation	1,485
Food Distribution Program	9,999
Changes in Assets and Liabilities:	
(Increase) in Inventory	(2,013)
(Decrease) in Unearned Revenue	(518)
Decrease in Accounts Receivable	<u>5,992</u>
Net Cash Used for Operating Activities	<u>\$ (39,049)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized USDA Donated Commodities through the Food Distribution Program valued at \$9,481 and \$9,999, respectively, for the fiscal year ended June 30, 2020.

FIDUCIARY FUNDS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Agency</u>		<u>Total</u>		<u>Private</u>		<u>Totals</u>	
	<u>Student</u>	<u>Payroll</u>	<u>Agency</u>	<u>Agency</u>	<u>Unemployment</u>	<u>Scholarship</u>	<u>Trust</u>	<u>Totals</u>
	<u>Activities</u>				<u>Trust</u>	<u>Trust</u>		
<u>ASSETS:</u>								
Cash and Cash Equivalents	\$ 142,129	\$ 123,754	\$ 265,883	\$ 265,883	\$ 3,960	\$ 26,428	\$ 296,271	
Interfund Receivable					31,505		31,505	
Total Assets	142,129	123,754	265,883	265,883	35,465	26,428	327,776	
<u>LIABILITIES:</u>								
Payroll Deductions and Withholdings		92,249	92,249	92,249			92,249	
Due to Student Groups	142,129		142,129	142,129			142,129	
Interfund Payable		31,505	31,505	31,505			31,505	
Total Liabilities	142,129	123,754	265,883	265,883			265,883	
<u>NET POSITION:</u>								
Held in Trust for:								
Unemployment Claims					35,465		35,465	
Scholarships						26,428	26,428	
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 35,465	\$ 26,428	\$ 61,893	

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 13,063	
Other		\$ 2,579
Total Contributions	<u>13,063</u>	<u>2,579</u>
Investment Earnings:		
Interest	<u>12</u>	<u>57</u>
Net Investment Earnings	<u>12</u>	<u>57</u>
Total Additions	<u>13,075</u>	<u>2,636</u>
DEDUCTIONS:		
Unemployment Compensation Claims	5,482	
Scholarship Payments		5,200
Total Deductions	<u>5,482</u>	<u>5,200</u>
Change in Net Position	7,593	(2,564)
Net Position - Beginning of the Year	<u>27,872</u>	<u>28,992</u>
Net Position - End of the Year	<u>\$ 35,465</u>	<u>\$ 26,428</u>

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 145,428	\$ 180,344	\$ 183,643	\$ 142,129
Total Assets	<u>\$ 145,428</u>	<u>\$ 180,344</u>	<u>\$ 183,643</u>	<u>\$ 142,129</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 145,428	\$ 180,344	\$ 183,643	\$ 142,129
Total Liabilities	<u>\$ 145,428</u>	<u>\$ 180,344</u>	<u>\$ 183,643</u>	<u>\$ 142,129</u>

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Senior High School:				
Lenape Valley Regional Activities	\$ 134,013	\$ 113,863	\$ 133,930	\$ 113,946
Lenape Valley Regional Athletics	11,415	66,481	49,713	28,183
	<u>145,428</u>	<u>180,344</u>	<u>183,643</u>	<u>142,129</u>
Total All Schools	<u>\$ 145,428</u>	<u>\$ 180,344</u>	<u>\$ 183,643</u>	<u>\$ 142,129</u>

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 38,157	\$ 14,536,339	\$ 14,450,742	\$ 123,754
Total Assets	<u>\$ 38,157</u>	<u>\$ 14,536,339</u>	<u>\$ 14,450,742</u>	<u>\$ 123,754</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 19,715	\$ 14,504,834	\$ 14,432,300	\$ 92,249
Interfund Payable - Unemployment Compensation Trust	<u>18,442</u>	<u>31,505</u>	<u>18,442</u>	<u>31,505</u>
Total Liabilities	<u>\$ 38,157</u>	<u>\$ 14,536,339</u>	<u>\$ 14,450,742</u>	<u>\$ 123,754</u>

LONG-TERM DEBT



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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2019</u>	<u>Matured</u>	<u>Balance June 30, 2020</u>
Passenger Bus	4.88%	\$ 30,634	\$ 12,524	\$ 6,113	\$ 6,411
Passenger Bus	5.11%	64,232	<u>50,074</u>	<u>11,599</u>	<u>38,475</u>
			<u>\$ 62,598</u>	<u>\$ 17,712</u>	<u>\$ 44,886</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

*(accrual basis of accounting)*

	June 30,				
	2011	2012	2013	2014	2015
Governmental Activities:					
Net Investment in Capital Assets	\$ 1,328,713	\$ 1,457,452	\$ 1,579,751	\$ 2,148,755	\$ 3,427,112
Restricted	764,094	895,397	1,215,441	2,025,335	1,901,747
Unrestricted/(Deficit)	(223,188)	(359,718)	(223,777)	(3,182,305)	(3,370,580)
Total Governmental Activities Net Position	<u>\$ 1,869,619</u>	<u>\$ 1,993,131</u>	<u>\$ 2,571,415</u>	<u>\$ 991,785</u>	<u>\$ 1,958,279</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 7,894	\$ 6,823	\$ 6,517	\$ 5,460	\$ 17,769
Unrestricted	5,517	2,875	3,456	22,607	33,618
Total Business-Type Activities Net Position	<u>\$ 13,411</u>	<u>\$ 9,698</u>	<u>\$ 9,973</u>	<u>\$ 28,067</u>	<u>\$ 51,387</u>
District-Wide:					
Net Investment in Capital Assets	\$ 1,336,607	\$ 1,464,275	\$ 1,586,268	\$ 2,154,215	\$ 3,444,881
Restricted	764,094	895,397	1,215,441	2,025,335	1,901,747
Unrestricted/(Deficit)	(217,671)	(356,843)	(220,321)	(3,159,698)	(3,336,962)
Total District Net Position	<u>\$ 1,883,030</u>	<u>\$ 2,002,829</u>	<u>\$ 2,581,388</u>	<u>\$ 1,019,852</u>	<u>\$ 2,009,666</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(*accrual basis of accounting*)

	June 30,			
	2016	2017	2018	2019*
Governmental Activities:				
Net Investment in Capital Assets	\$ 4,314,882	\$ 4,609,226	\$ 5,240,633	\$ 5,360,602
Restricted	1,655,810	1,673,010	1,614,139	1,740,680
Unrestricted/(Deficit)	(3,470,212)	(3,757,426)	(3,848,720)	(3,309,673)
Total Governmental Activities Net Position	<u>\$ 2,500,480</u>	<u>\$ 2,524,810</u>	<u>\$ 3,006,052</u>	<u>\$ 3,791,609</u>
Business-Type Activities:				
Investment in Capital Assets	\$ 15,791	\$ 14,059	\$ 12,574	\$ 11,088
Unrestricted	34,485	30,195	32,263	28,689
Total Business-Type Activities Net Position	<u>\$ 50,276</u>	<u>\$ 44,254</u>	<u>\$ 44,837</u>	<u>\$ 39,777</u>
District-Wide:				
Net Investment in Capital Assets	\$ 4,330,673	\$ 4,623,285	\$ 5,253,207	\$ 5,371,690
Restricted	1,655,810	1,673,010	1,614,139	1,740,680
Unrestricted/(Deficit)	(3,435,727)	(3,727,231)	(3,816,457)	(3,280,984)
Total District Net Position	<u>\$ 2,550,756</u>	<u>\$ 2,569,064</u>	<u>\$ 3,050,889</u>	<u>\$ 3,831,386</u>

\* - Restated

Source: School District Financial Reports

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,487,227	\$ 6,576,056	\$ 6,616,121	\$ 6,364,383	\$ 7,303,831
Special Education	844,954	892,891	915,750	920,325	1,137,479
Other Instruction	97,428	103,335	75,631	76,425	75,022
School Sponsored	656,597	780,555	804,205	816,811	972,892
Support Services:					
Tuition	665,130	916,865	932,752	713,086	710,774
Student & Instruction Related Services	1,798,734	1,934,543	2,218,585	1,910,234	2,242,065
General and Business Administrative Services	377,587	383,058	342,376	408,332	427,695
School Administrative Services	497,332	540,414	524,301	626,763	749,867
Central Services	400,098	403,585	460,763	491,918	610,300
Administrative Information Technology	108,597	113,249	153,482	178,077	66,587
Plant Operations and Maintenance	1,441,539	1,417,345	1,570,504	1,379,793	1,890,693
Pupil Transportation	648,247	766,468	722,234	767,308	755,781
Capital Outlay				12,394	
Total Governmental Activities Expenses	14,023,470	14,828,364	15,336,704	14,665,849	16,942,986
Business-Type Activities:					
Food Service	230,809	224,350	202,811	203,048	220,248
Total Business-type Activities Expense	230,809	224,350	202,811	203,048	220,248
Total District Expenses	\$ 14,254,279	\$ 15,052,714	\$ 15,539,515	\$ 14,868,897	\$ 17,163,234
Program Revenues					
Charges for Services - Tuition	\$ 1,469,318	\$ 1,988,142	\$ 2,214,468	\$ 2,018,267	\$ 107,316
Operating Grants and Contributions and Charges for Services					
Total Governmental Activities Program Revenues	1,469,318	1,988,142	2,236,022	2,069,956	2,225,653
Business-Type Activities:					
Charges for Services:					
Food Service	191,032	182,024	155,957	178,311	175,520
Operating Grants and Contributions	33,210	38,576	46,232	42,782	54,130
Total Business-type Activities Program Revenues	224,242	220,600	202,189	221,093	229,650

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Total District Program Revenues	\$ 1,693,560	\$ 2,208,742	\$ 2,438,211	\$ 2,291,049	\$ 2,455,303
Net (Expense)/Revenue	\$ (12,554,152)	\$ (12,840,222)	\$ (13,100,682)	\$ (12,595,893)	\$ (14,717,333)
Governmental Activities	(6,567)	(3,750)	(622)	18,045	9,402
Business-type Activities	\$ (12,560,719)	\$ (12,843,972)	\$ (13,101,304)	\$ (12,577,848)	\$ (14,707,931)
Total District-wide Net Expense					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 9,218,689	\$ 9,403,063	\$ 9,591,124	\$ 9,782,946	\$ 9,978,605
Federal and State Aid not Restricted	3,469,386	3,551,372	3,689,290	4,011,027	5,679,418
Investment Earnings	669	560	538	4,996	4,997
Miscellaneous Income	24,385	8,739	10,859	32,826	34,635
Other			356,281		(13,828)
Total Governmental Activities	12,713,129	12,963,734	13,648,092	13,831,795	15,683,827
Business-Type Activities:					
Transfer In	52	37	33	49	13,828
Investment Earnings			864		90
Special Item - Reappraisal of Capital Assets				49	
Total Business-Type Activities	52	37	897	49	13,918
Total District-Wide	\$ 12,713,181	\$ 12,963,771	\$ 13,648,989	\$ 13,831,844	\$ 15,697,745
Change in Net Position:					
Governmental Activities	\$ 158,977	\$ 123,512	\$ 547,410	\$ 1,235,902	\$ 966,494
Business-type Activities	(6,515)	(3,713)	275	18,094	23,320
Total District	\$ 152,462	\$ 119,799	\$ 547,685	\$ 1,253,996	\$ 989,814

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 7,898,802	\$ 8,223,052	\$ 8,504,067	\$ 7,821,307	\$ 7,069,898
Special Education	1,238,435	1,416,490	1,409,482	1,278,590	1,302,441
Other Instruction	77,462	78,675	58,124	32,915	27,703
School Sponsored	1,021,180	1,161,457	1,207,361	1,177,811	1,129,589
Support Services:					
Tuition	1,012,087	1,123,175	1,047,932	1,052,761	648,534
Student & Instruction Related Services	2,503,986	2,846,494	3,033,163	2,958,125	2,851,974
General and Business Administrative Services	563,419	546,225	552,215	538,761	532,104
School Administrative Services	605,788	793,596	766,194	660,913	587,118
Central Services	661,028	759,214	667,325	525,843	618,705
Administrative Information Technology	99,443	140,084	246,268	241,579	217,422
Plant Operations and Maintenance	1,500,744	1,539,453	1,755,539	1,730,159	1,696,402
Pupil Transportation	880,591	1,021,008	872,895	994,046	877,504
Capital Outlay					
Total Governmental Activities Expenses	18,062,965	19,648,923	20,120,565	19,012,810	17,559,394
Business-Type Activities:					
Food Service	215,798	200,629	184,603	189,310	158,758
Total Business-type Activities Expense	215,798	200,629	184,603	189,310	158,758
Total District Expenses	\$ 18,278,763	\$ 19,849,552	\$ 20,305,168	\$ 19,202,120	\$ 17,718,152
Program Revenues					
Charges for Services - Tuition	\$ 61,909	\$ 48,180	\$ 3,369	\$ 38,122	\$ 15,211
Operating Grants and Contributions and Charges for Services	2,320,307	2,513,816	5,832,185	4,698,165	4,069,260
Total Governmental Activities Program Revenues	2,382,216	2,561,996	5,835,554	4,736,287	4,084,471
Business-Type Activities:					
Charges for Services:					
Food Service	167,462	148,583	137,130	134,609	104,764
Operating Grants and Contributions	47,131	45,936	47,981	49,566	44,502
Total Business-type Activities Program Revenues	214,593	194,519	185,111	184,175	149,266

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Total District Program Revenues	\$ 2,596,809	\$ 2,756,515	\$ 6,020,665	\$ 4,920,462	\$ 4,233,737
Net (Expense)/Revenue					
Governmental Activities	\$ (15,680,749)	\$ (17,086,927)	\$ (14,285,011)	\$ (14,276,523)	\$ (13,474,923)
Business-type Activities	(1,205)	(6,110)	508	(5,135)	(9,492)
Total District-wide Net Expense	\$ (15,681,954)	\$ (17,093,037)	\$ (17,093,037)	\$ (14,281,658)	\$ (13,484,415)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 10,078,391	\$ 10,279,958	\$ 10,485,557	\$ 10,695,268	\$ 10,909,173
Federal and State Aid not Restricted	6,125,987	7,144,624	4,272,042	4,285,240	4,195,809
Investment Earnings	5,160	5,157	5,158		
Miscellaneous Income	13,412	3,929	3,496	81,572	49,794
Other					
Total Governmental Activities	16,222,950	17,433,668	14,766,253	15,062,080	15,154,776
Business-Type Activities:					
Transfer In	94	88	75	75	64
Investment Earnings					
Special Item - Reappraisal of Capital Assets					
Total Business-Type Activities	94	88	75	75	64
Total District-Wide	\$ 16,223,044	\$ 17,433,756	\$ 14,766,328	\$ 15,062,155	\$ 15,154,840
Change in Net Position:					
Governmental Activities	\$ 542,201	\$ 346,741	\$ 481,242	\$ 785,557	\$ 1,679,853
Business-type Activities	(1,111)	(6,022)	583	(5,060)	(9,428)
Total District	\$ 541,090	\$ 340,719	\$ 481,825	\$ 780,497	\$ 1,670,425



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	June 30,				
	2011	2012	2013	2014	2015
General Fund:					
Restricted	\$ 764,094	\$ 895,397	\$ 1,215,441	\$ 2,025,335	\$ 1,901,747
Assigned			124,726	165,323	49,799
Unassigned/(Deficit)	(10,288)	(38,675)			
Total General Fund	<u>\$ 753,806</u>	<u>\$ 856,722</u>	<u>\$ 1,340,167</u>	<u>\$ 2,190,658</u>	<u>\$ 1,951,546</u>
Total All Other Governmental Funds	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

	June 30,				
	2016	2017	2018	2019	2020
General Fund:					
Restricted	\$ 1,655,810	\$ 1,673,010	\$ 1,614,139	\$ 1,740,680	\$ 2,267,168
Assigned	51,226	66,372	66,251	606,818	383,565
Unassigned/(Deficit)					
Total General Fund	<u>\$ 1,707,036</u>	<u>\$ 1,739,382</u>	<u>\$ 1,680,390</u>	<u>\$ 2,347,498</u>	<u>\$ 2,650,733</u>
Total All Other Governmental Funds	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Revenues:					
Tax Levy	\$ 9,218,689	\$ 9,403,063	\$ 9,591,124	\$ 9,782,946	\$ 9,978,605
Tuition from Individuals	7,000				
Tuition from Other LEA's Within the State	38,268	35,241	21,554	51,689	107,316
Rents and Royalties					
Sale of Capital Assets					
Interest Earnings	669	560	538	537	538
Miscellaneous	24,385	8,739	10,859	37,285	39,094
State Sources	4,690,181	5,146,854	5,656,942	5,831,377	5,987,231
Federal Sources	203,255	357,419	246,816	197,917	206,084
Total Revenue	<u>14,182,447</u>	<u>14,951,876</u>	<u>15,527,833</u>	<u>15,901,751</u>	<u>16,318,868</u>
Expenditures					
Instruction:					
Regular Instruction	4,530,907	4,576,018	4,741,761	4,589,627	4,584,166
Special Education Instruction	657,462	671,183	664,101	672,064	725,867
Other Instruction	72,213	73,815	75,631	76,425	75,022
School Sponsored Instruction	495,799	572,714	592,099	603,849	648,906
Support Services:					
Tuition	665,130	916,865	932,752	713,086	710,774
Student & Instruction Related Services	1,512,958	1,616,875	1,691,602	1,468,356	1,523,384
General Administrative Services	321,804	329,127	271,339	324,270	305,428
School Administrative Services	385,876	407,458	355,023	445,273	458,080
Central Services and	342,385	334,466	348,062	341,552	370,205
Administrative Information Technology	88,619	90,314	109,109	126,199	118,312
Plant Operations and Maintenance	1,327,030	1,319,504	1,282,834	1,243,141	1,369,647
Student Transportation	686,447	819,134	739,677	670,586	756,633
Unallocated Benefits	2,622,807	3,078,575	3,212,226	3,082,303	3,197,475

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

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Expenditures					
Capital Outlay	\$ 130,552	\$ 87,851	\$ 384,453	\$ 900,827	\$ 1,797,220
Total Expenditures	13,839,989	14,893,899	15,400,669	15,257,558	16,641,119
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>342,458</u>	<u>57,977</u>	<u>127,164</u>	<u>644,193</u>	<u>(322,251)</u>
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)	84,222	44,939		206,298	96,967
Insurance Reimbursements for Losses due to Hurricane Sandy			356,281		
Transfers Out					(13,828)
Total Other Financing Sources/(Uses)	<u>84,222</u>	<u>44,939</u>	<u>356,281</u>	<u>206,298</u>	<u>83,139</u>
Net Change in Fund Balances	<u>\$ 426,680</u>	<u>\$ 102,916</u>	<u>\$ 483,445</u>	<u>\$ 850,491</u>	<u>\$ (239,112)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

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

LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
<b>Revenues:</b>					
Tax Levy	\$ 10,078,391	\$ 10,279,958	\$ 10,485,557	\$ 10,695,268	\$ 10,909,173
Tuition from Individuals					850
Tuition from Other LEA's Within the State	61,909	48,180	3,369	38,122	14,361
Rents and Royalties				18,270	9,548
Sale of Capital Assets					10,000
Interest Earnings	545	542	543	497	494
Miscellaneous	18,027	8,544	8,111	62,805	29,752
State Sources	6,296,700	6,516,128	6,829,087	7,286,156	7,128,242
Federal Sources	215,172	205,084	213,238	224,534	252,467
<b>Total Revenue</b>	<b>16,670,744</b>	<b>17,058,436</b>	<b>17,539,905</b>	<b>18,325,652</b>	<b>18,354,887</b>
<b>Expenditures</b>					
<b>Instruction:</b>					
Regular Instruction	4,867,079	4,336,141	4,469,507	4,451,610	4,123,686
Special Education Instruction	734,628	762,737	727,284	741,273	788,003
Other Instruction	77,462	78,675	58,124	32,915	27,703
School Sponsored Instruction	644,529	675,145	690,191	724,231	711,617
<b>Support Services:</b>					
Tuition	1,012,087	1,123,175	1,047,932	1,052,761	648,534
Student & Instruction Related Services	1,652,685	1,735,429	1,780,864	1,834,919	1,824,378
General Administrative Services	398,332	335,394	329,045	353,251	352,402
School Administrative Services	312,169	405,750	342,462	336,226	324,862
Central Services and	381,885	393,190	365,496	398,880	392,604
Administrative Information Technology	123,955	125,167	132,738	136,734	138,031
Plant Operations and Maintenance	1,205,019	1,250,991	1,299,442	1,318,911	1,343,130
Student Transportation	821,311	896,039	866,803	938,779	857,713
Unallocated Benefits	3,488,283	3,932,919	4,446,593	4,859,899	4,684,432

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

UNAUDITED

*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Expenditures					
Capital Outlay	\$ 1,195,830	\$ 1,005,972	\$ 1,042,416	\$ 542,387	\$ 1,834,557
Total Expenditures	16,915,254	17,056,724	17,598,897	17,722,776	18,051,652
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>(244,510)</u>	<u>1,712</u>	<u>(58,992)</u>	<u>602,876</u>	<u>303,235</u>
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)		30,634		64,232	
Insurance Reimbursements for Losses due to Hurricane Sandy					
Transfers Out					
Total Other Financing Sources/(Uses)		<u>30,634</u>		<u>64,232</u>	
Net Change in Fund Balances	<u>\$ (244,510)</u>	<u>\$ 32,346</u>	<u>\$ (58,992)</u>	<u>\$ 667,108</u>	<u>\$ 303,235</u>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Rents and</u> <u>Royalties</u>	<u>Total</u>
2011	\$ 669	\$ 45,268	\$ 24,385		\$ 70,322
2012	560	35,241	8,739		44,540
2013	538	21,554	10,859		32,951
2014	4,996	51,689	32,826		89,511
2015	5,384	107,316	34,248		146,948
2016	5,160	61,909	13,412		80,481
2017	4,339	48,180	4,747		57,266
2018	4,633	3,369	4,021		12,023
2019	6,423	38,122	56,879	\$ 18,270	119,694
2020	5,789	15,211	34,457	9,548	65,005

Source: School District Financial Reports

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

**Byram Township**

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2010	\$ 21,245,900	\$ 971,973,300	\$ 17,110,400	\$ 739,500	\$ 91,769,700	\$ 2,395,200	\$ 1,288,700	\$ 1,106,522,700	\$ 66,879,200	\$ 1,619,451	\$ 1,108,142,151	\$ 0.49	\$ 1,158,651,730
2011	20,595,500	969,486,200	16,733,900	725,500	91,981,000	2,134,900	1,288,700	1,102,945,700	67,835,000	1,360,870	1,104,306,570	0.51	1,133,421,802
2012	18,175,900	814,978,400	14,256,700	725,300	79,756,200	1,881,100	1,115,600	930,889,200	67,197,300	1,367,521	932,256,721	0.63	1,022,304,686
2013	17,057,400	814,021,000	14,850,300	729,900	80,556,400	1,881,100	1,115,600	930,211,700	65,555,900	169,287	930,380,987	0.65	1,014,784,450
2014	15,872,700	815,375,600	15,346,800	738,600	79,509,100	1,881,100	1,115,600	929,839,500	65,358,100	170,951	930,010,451	0.67	983,104,528
2015	16,159,100	812,932,400	15,834,200	740,800	77,996,100	1,881,100	1,115,600	926,659,300	66,725,200		926,659,300	0.67	961,176,097
2016	15,654,400	813,991,600	14,976,800	723,400	77,065,800	1,881,100	1,115,600	925,408,700	67,800,200		925,408,700	0.67	965,576,690
2017	15,300,000	814,380,700	15,020,200	722,000	78,079,400	1,881,100	1,115,600	926,499,000	67,931,100		926,499,000	0.69	967,681,544
2018	15,247,700	812,600,000	16,201,300	670,800	77,322,400	1,881,100	1,115,600	925,038,900	68,355,600		925,038,900	0.70	990,189,256
2019	15,425,100	812,944,700	16,437,900	679,400	77,727,200	1,881,100	1,115,600	926,211,000	68,777,800		926,211,000	0.70	997,309,619

**Netcong Borough**

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2010	\$ 6,002,600	\$ 240,302,400			\$ 43,259,800	\$ 18,796,900	\$ 25,781,800	\$ 334,143,500	\$ 21,259,300	\$ 3,085,763	\$ 337,229,263	\$ 0.48	\$ 318,940,713
2011	5,892,600	240,069,800			43,115,700	18,746,800	25,781,800	333,606,700	21,583,300	3,043,835	336,650,535	0.50	321,029,391
2012	5,892,600	239,449,400			43,109,000	18,746,800	25,781,800	332,979,600	21,567,700	3,117,096	336,096,696	0.51	303,147,024
2013	6,072,900	238,253,100			42,694,000	17,413,500	25,781,800	330,215,300	21,735,000		330,215,300	0.50	273,815,716
2014	6,000,500	237,191,500			42,855,300	17,413,500	25,781,800	329,242,600	21,735,000		329,242,600	0.50	276,798,948
2015	5,840,000	236,807,700			41,890,700	17,413,500	25,781,800	327,733,700	21,435,500		327,733,700	0.51	257,290,637
2016	6,359,000	234,351,300			41,198,400	17,413,500	25,781,800	325,104,000	22,047,400		325,104,000	0.50	264,140,396
2017	6,359,000	233,929,500			41,275,900	17,413,500	25,781,800	324,759,700	22,052,400		324,759,700	0.50	265,424,494
2018	6,313,900	232,897,600			41,092,600	17,413,500	25,781,800	323,499,400	22,052,400		323,499,400	0.54	270,035,525
2019	6,009,800	232,005,400			40,992,600	17,413,500	25,781,800	322,203,100	22,249,200		322,203,100	0.61	302,238,491

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Actual (County Equalized Value)
2010	* \$ 3,867,500	\$ 315,145,600		\$ 18,100	\$ 22,409,100	\$ 5,490,300	\$ 3,430,500	\$ 350,361,100	\$ 48,923,400	\$ 494,678	\$ 350,855,778	\$ 0.60	\$ 419,493,289
2011	3,967,300	314,060,400		18,100	22,753,200	5,194,500	3,429,700	349,423,200	47,555,100	392,954	349,816,154	0.57	386,336,984
2012	3,670,600	307,560,200		18,100	22,724,800	4,598,900	3,376,100	341,948,700	47,545,100	388,422	342,337,122	0.55	370,101,092
2013	* 3,311,700	261,262,300		18,100	22,274,800	4,445,500	3,191,900	294,504,300	40,970,500	880	294,505,180	0.68	323,968,901
2014	2,744,000	261,244,700		18,100	22,286,500	4,445,500	3,191,900	293,930,700	41,704,100	758	293,931,458	0.69	329,032,732
2015	2,809,100	261,017,000		18,100	22,087,800	4,445,500	3,194,200	293,571,700	41,230,300	828	293,572,528	0.75	329,682,772
2016	2,881,600	261,375,600		18,100	22,087,800	4,445,500	3,194,200	294,002,800	41,157,800	711	294,003,511	0.81	318,979,554
2017	2,674,300	261,114,800		19,300	22,128,600	4,445,500	3,194,200	293,576,700	41,397,600	683	293,577,383	0.81	319,640,920
2018	2,653,900	261,299,400		19,300	22,153,800	4,445,500	3,194,200	293,766,100	41,269,700	651	293,766,751	0.81	315,261,868
2019	2,653,900	261,808,300		19,300	22,104,800	4,445,500	3,194,200	294,226,000	41,045,900	552	294,226,552	0.80	325,155,173

\* Revaluation became effective.

Source: Municipal Tax Assessors and State of New Jersey Website

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100



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

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

**Byram Township**

Year Ended December 31,	Direct Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Total Direct	Municipality	County	
2010	\$ 0.490	\$ 0.490	\$ 0.679	\$ 0.422	\$ 0.950
2011	0.512	0.512	0.697	0.444	0.982
2012 *	0.631	0.631	0.851	0.508	1.185
2013	0.648	0.648	0.874	0.539	1.210
2014	0.665	0.665	0.864	0.552	1.227
2015	0.668	0.668	0.888	0.534	1.249
2016	0.666	0.666	0.913	0.578	0.863
2017	0.687	0.687	0.928	0.595	0.857
2018	0.699	0.699	0.935	0.622	1.289
2019	0.699	0.699	0.946	0.624	1.299

**Netcong Borough**

Year Ended December 31,	Direct Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Total Direct	Municipality	County	
2010	\$ 0.480	\$ 0.480	\$ 0.681	\$ 0.216	\$ 0.789
2011	0.496	0.496	0.701	0.225	0.813
2012	0.507	0.507	0.714	0.221	0.815
2013	0.503	0.503	0.738	0.208	0.908
2014	0.502	0.502	0.756	0.215	0.898
2015	0.511	0.511	0.775	0.197	0.996
2016	0.499	0.499	0.797	0.197	0.981
2017	0.504	0.504	0.821	0.212	0.989
2018	0.537	0.537	0.840	0.217	1.158
2019	0.611	0.611	0.861	0.245	1.209

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

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

**Stanhope Borough**

Year Ended December 31,	Direct Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Total Direct	Municipality	County	
2010 *	\$ 0.600	\$ 0.600	\$ 0.874	\$ 0.480	\$ 3.024
2011	0.566	0.566	0.894	0.478	3.027
2012	0.554	0.554	0.928	0.503	3.124
2013 *	0.675	0.675	1.094	0.543	3.656
2014	0.692	0.692	1.103	0.585	3.758
2015	0.747	0.747	1.115	0.578	3.863
2016	0.811	0.811	1.131	0.612	3.596
2017	0.808	0.808	1.141	0.621	3.637
2018	0.808	0.808	1.157	0.624	4.113
2019	0.799	0.799	1.168	0.641	4.157

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

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

\* Revaluation became effective.

Source: Municipal Tax Collectors and School Business Administrator

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

		<b>Byram Township</b>			
		2020		2011	
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
Gordon Byram Associates, LLC	\$ 17,712,100	1	1.91%	Gordon Byram Assoc, LLC	\$ 17,587,000
Tilcon New York, Inc	5,107,900	2	0.55%	Byram Land Development, LLC	5,040,000
YK Realty Co LLC	4,233,500	3	0.46%	Byram Self Storage, LLC	4,250,000
Byram Self Storage	3,900,000	4	0.42%	Tozzo Dominick C.O Lynnes Nissan	3,250,500
PSD Automotive Group	2,875,000	5	0.31%	Panther Lake Camping Resort Inc	2,395,500
Panther Lake Camping Resort, Inc	2,715,700	6	0.29%	206 Acorn Development Corp	2,045,200
206 Acorn Development Corp	1,951,400	7	0.21%	Individual Taxpayer #1	1,925,900
Esposito, Louis N, Jr & Kathleen A	1,704,000	8	0.18%	SC Realty	1,549,500
55 Lackawana Development, LLC	1,704,000	9	0.18%	BVJ & P, Inc	1,502,500
Kagan Realty, LLC	1,450,600	10	0.16%	Taxpayer 2	1,500,000
<b>Total</b>	<b>\$ 43,354,200</b>		<b>4.67%</b>		<b>\$ 41,046,100</b>
					<b>3.72%</b>

		<b>Netcong Borough</b>			
		2020		2011	
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value
Netcong Heights	\$ 16,575,988	1	5.06%	Quirk Realty, LLC	\$ 21,500,000
Dowel-Netcong, LLC	5,952,047	2	1.82%	Individual Taxpayer #1	8,500,000
Sempre Development Group, LLC	2,698,417	3	0.82%	Semper Development Group, LLC	3,500,000
Individual Taxpayer #1	2,448,069	4	0.75%	U.S. Mineral Wool Products	3,188,300
Netcong 201 LLC Morris Canal Plaza	2,159,685	5	0.66%	Individual Taxpayer #2	3,167,000
US Mineral Wool Products	2,073,717	6	0.63%	Verizon - NJ	3,083,706
Individual Taxpayer #2	1,942,609	7	0.59%	Netcong 201 LLC	2,761,500
Quirk Realty, LLC	1,895,869	8	0.58%	Individual Taxpayer #3	2,513,100
Bell Atlantic-NJ	1,593,467	9	0.49%	Quirk Realty, LLC	2,427,300
Mark Appraisals, LLC	1,318,022	10	0.40%	Bell Atlantic NJ	2,037,500
<b>Total</b>	<b>\$ 38,657,890</b>		<b>11.80%</b>		<b>\$ 52,678,406</b>
					<b>15.66%</b>

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

		<b>Stanhope Borough</b>					
		2020		2011			
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Metro SH Storage, LLC/Metro Storage	\$ 3,611,600	1	1.23%	Stanhope Storage, LLC	\$ 3,228,400	1	0.92%
US Mineral Products Co.	1,701,900	2	0.58%	US Mineral Products Co	1,742,200	2	0.50%
10 Furnace Street, LLC	1,308,000	3	0.45%	Netcong Development, LLC	1,314,900	3	0.38%
Heritage Crossing LLC	1,270,800	4	0.43%	Individual Taxpayer 1	1,287,300	4	0.37%
Individual Taxpayer 1	1,129,000	5	0.38%	Heritage, Crossing, LLC	1,286,800	5	0.37%
Juntos Holdings LLC	979,300	6	0.33%	Individual Taxpayer 2	1,198,300	6	0.34%
Lakeland Bank	953,600	7	0.32%	Individual Taxpayer 3	1,032,900	7	0.30%
Individual Taxpayer 2	950,000	8	0.32%	AHS Enterprises LLC	1,024,800	8	0.29%
Andrew Benjamin, LLC	851,500	9	0.29%	Lakeland Bank	925,800	9	0.26%
Normandic Lane, LLC	685,300	10	0.23%	Andrew Benjamin, LLC	883,800	10	0.25%
<b>Total</b>	<b>\$ 13,441,000</b>		<b>3.33%</b>		<b>\$ 13,925,200.00</b>		<b>3.98%</b>

Note: Individual taxpayers may be different in 2020 and 2011.

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Percentage of Levy	Collections in Subsequent Years
		Amount			
2011	\$ 9,218,689	\$ 9,218,689		100.00%	\$ -0-
2012	9,403,063	9,403,063		100.00%	-0-
2013	9,591,124	9,591,124		100.00%	-0-
2014	9,782,946	9,782,946		100.00%	-0-
2015	9,978,605	9,978,605		100.00%	-0-
2016	10,078,391	10,078,391		100.00%	-0-
2017	10,279,958	10,279,958		100.00%	-0-
2018	10,485,557	10,485,557		100.00%	-0-
2019	10,695,268	10,695,268		100.00%	-0-
2020	10,909,173	10,909,173		100.00%	-0-

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

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

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

*(dollars in thousands, except per capita)*

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Capital Leases				
2011	\$	153,589	\$ 153,589	0.02%	\$ 10.11
2012		113,388	113,388	0.01%	7.52
2013		128,050	128,050	0.01%	8.56
2014		211,219	211,219	0.02%	14.23
2015		155,291	155,291	0.02%	10.59
2016		77,435	77,435	0.01%	5.32
2017		72,484	72,484	0.01%	5.00
2018		37,314	37,314	0.00%	2.59
2019		62,598	62,598	0.01%	4.36
2020		44,886	44,886	0.00%	3.12

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

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

Source: School District Financial Reports

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

NOT APPLICABLE

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<u>Debt Repaid With Property Taxes</u>			
Township of Byram	\$3,033,265.37	100.00%	\$ 3,033,265
Borough of Netcong	1,771,235	100.00%	1,771,235
Borough of Stanhope	3,229,284	100.00%	3,229,284
Morris County County General Obligation Debt (All Constituent Municipalities) (1)	216,220,009	0.31%	680,086
Sussex County County General Obligation Debt (All Constituent Municipalities) (2)	99,441,765	7.61%	<u>7,564,172</u>
Subtotal, Overlapping Debt			16,278,042
Lenape Valley Regional School District Direct Debt			<u>44,886</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,322,928</u></u>
(2) Township of Byram/County of Sussex -	5.74%		
(1) Borough of Netcong/County of Morris -	0.31%		
(2) Borough of Stanhope/County of Sussex -	1.87%		

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 that is borne by the residents and businesses of Byram, Netcong, and Stanhope. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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

Sources: Assessed value data used to estimate applicable percentages provided by the Morris and Sussex County Boards of Taxation; debt outstanding data provided by each governmental unit.



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

Legal Debt Margin Calculation for Fiscal Year 2020				
Year	Township of Byram	Borough of Netcong	Borough of Stanhope	Total Equalized Valuation Basis
2017	\$ 990,802,053	\$ 269,487,760	\$ 313,985,775	\$ 1,574,275,588
2018	995,093,481	301,884,472	323,602,225	1,620,580,178
2019	994,856,069	301,716,546	330,665,318	1,627,237,933
	\$ 2,980,751,603	\$ 873,088,778	\$ 968,253,318	\$ 4,822,093,699
Average Equalized Valuation of Taxable Property				\$ 1,607,364,566
Debt Limit (4% of average equalization value) <sup>a</sup>				\$ 64,294,583
Net Bonded School Debt as of June 30, 2020				-0-
Legal Debt Margin				\$ 64,294,583

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Debt Limit	\$ 75,738,603	\$ 73,500,976	\$ 70,099,707	\$ 66,772,267	\$ 63,653,897
Total Net Debt Applicable to Limit	\$ 75,738,603	\$ 73,500,976	\$ 70,099,707	\$ 66,772,267	\$ 63,653,897
Legal Debt Margin	\$ 75,738,603	\$ 73,500,976	\$ 70,099,707	\$ 66,772,267	\$ 63,653,897
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Debt Limit	\$ 62,434,615	\$ 61,931,004	\$ 62,035,460	\$ 63,354,827	\$ 64,294,583
Total Net Debt Applicable to Limit	\$ 62,434,615	\$ 61,931,004	\$ 62,035,460	\$ 63,354,827	\$ 64,294,583
Legal Debt Margin	\$ 62,434,615	\$ 61,931,004	\$ 62,035,460	\$ 63,354,827	\$ 64,294,583
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

**Byram Township**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Sussex County Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>	Personal Income <sup>c</sup>	
2011	8,378	\$ 411,301,154	\$	49,093	9.50%
2012	8,296	421,801,824		50,844	9.50%
2013	8,222	423,071,232		51,456	5.70%
2014	8,148	438,509,064		53,818	6.20%
2015	8,057	448,589,589		55,677	5.10%
2016	7,988	454,629,032		56,914	4.50%
2017	7,970	467,974,490		58,717	4.20%
2018	7,941	490,412,337		61,757	3.70%
2019	7,932	489,856,524		61,757 *	3.20%
2020	7,932 **	489,856,524 ***		61,757 *	N/A

**Netcong Borough**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Morris County Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c</sup>	Personal Income <sup>c</sup>	
2011	3,240	\$ 248,595,480	\$	76,727	6.60%
2012	3,241	258,518,365		79,765	6.80%
2013	3,235	261,404,175		80,805	7.10%
2014	3,225	271,738,500		84,260	7.40%
2015	3,218	283,888,742		88,219	6.20%
2016	3,204	291,093,012		90,853	5.70%
2017	3,191	298,534,005		93,555	5.30%
2018	3,165	312,834,930		98,842	4.80%
2019	3,131	309,474,302		98,842 *	4.10%
2020	3,131 **	309,474,302 ***		98,842 *	N/A

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

**Stanhope Borough**

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Sussex County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	3,580	\$ 175,752,940	\$ 49,093	8.10%
2012	3,546	180,292,824	50,844	8.10%
2013	3,507	180,456,192	51,456	5.60%
2014	3,475	187,017,550	53,818	5.90%
2015	3,385	188,466,645	55,677	5.50%
2016	3,354	190,889,556	56,914	5.30%
2017	3,334	195,762,478	58,717	4.60%
2018	3,318	204,909,726	61,757	4.20%
2019	3,306	204,168,642	61,757 *	3.30%
2020	3,306 **	204,168,642 ***	61,757 *	N/A

\* - Latest Sussex/Morris County per capita personal income available (2018) was used for calculation purposes.

\*\* - Latest population data available (2019) was used for calculation purposes.

\*\*\* - Latest Township/Borough personal income available (2019) was used for calculation purposes.

N/A - Information not available

Source:

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

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

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

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

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

	2019		2011		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Selective Insurance Group Inc.		1000-4999	Crystal Springs Gold & Spa Resort	2,000	N/A
Crystal SpringsResort		1000-4999	Newton Memorial Hospital	1,200	N/A
Newton Medical Center		500-999	Selective Insurance	900	N/A
Sussex County Offices		500-999	County of Sussex	830	N/A
Thorlabs		500-999	Mountain Creek Resort	800	N/A
Mountain Creek Resort		500-999	Ames Rubber Corp.	445	N/A
Shop Rite		250-499	Shop Rite Supermarkets	301	N/A
Sussex County Community College		250-499	Andover Subacute & Rehab Center	30	N/A
United Methodist Community Bristol Glen		250-499	Sussex County Community College	300	N/A
Andover Subacute & Rehab Center		100-249	SCARC, Inc.	287	N/A
Total		<u>N/A</u>	Total	<u>7,093</u>	
Total County Labor Force		<u>N/A</u>		<u>N/A</u>	

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

	2020			2011			Percentage of Total Employment
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment	
Picatinny Arsenal		6,440	2.55%	Atlantic Health System	6,300	N/A	
Atlantic Health System		6,350	2.51%	U.S. Army Armament R&D	3,575	N/A	
Novartis		4,607	1.82%	Novartis	3,573	N/A	
Bayer		2,800	1.11%	St. Clare's Health System	2,342	N/A	
ADP		2,242	0.89%	County of Morris	2,126	N/A	
Wyndham Worldwide		1,907	0.75%	ADP	2,019	N/A	
Accenture		1,883	0.74%	United Parcel Service	1,941	N/A	
Honeywell		1,868	0.74%	AT&T	1,500	N/A	
Allergan		1,700	0.67%	Honeywell	1,500	N/A	
St. Clare's Health System		1,544	0.61%	Wyndham Worldwide Corporation	1,395	N/A	
<b>Total</b>		<b>31,341</b>	<b>12.39%</b>		<b>26,271</b>		
<b>Total County Labor Force</b>		<b>252,984</b>			<b>N/A</b>		

N/A - Not Available

Source: Morris County and Sussex County Area Chamber of Commerce and Sussex County Department of Administration and Finance

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

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

<u>Function/Program:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:										
Regular	57.0	57.0	57.0	55.0	55.0	55.0	55.0	53.0	50.0	50.0
Special Education	8.0	8.0	8.0	8.0	9.0	9.0	9.0	8.0	8.0	8.0
Other	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Student & Instruction Related Services	23.0	23.0	23.0	23.0	24.0	24.0	24.0	23.0	22.0	22.0
School Administrative Services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
General and Business Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0
Pupil Transportation	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
<b>Total</b>	<b>118.0</b>	<b>118.0</b>	<b>118.0</b>	<b>116.0</b>	<b>118.0</b>	<b>118.0</b>	<b>118.0</b>	<b>114.0</b>	<b>110.0</b>	<b>111.0</b>

Source: School District Financial Reports

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2011	836	\$ 13,709,437	\$16,399	-4.32%	68	12:1	12:1	836	796	-1.18%	95.22%
2012	799	14,806,048	18,531	13.00%	66	12:1	12:1	799	766	-4.43%	95.87%
2013	785	15,016,216	19,129	3.23%	66	12:1	12:1	785	732	-1.75%	93.25%
2014	828	14,356,731	17,339	-9.36%	66	13:1	13:1	828	785	5.48%	94.81%
2015	806	14,843,899	18,417	6.22%	67	12:1	12:1	806	765	-2.66%	94.91%
2016	803	15,719,424	19,576	6.29%	66	12:1	12:1	803	778	-0.37%	96.89%
2017	772	16,050,752	20,791	6.21%	67	12:1	12:1	772	730	-3.86%	94.56%
2018	719	16,556,481	23,027	10.75%	63	11:1	11:1	708	670	-8.29%	94.63%
2019	705	16,569,265	23,503	2.06%	60	11:1	11:1	687	651	-2.97%	94.76%
2020	682	16,217,095	23,779	1.18%	60	11:1	11:1	642	610	-6.55%	95.02%

Sources: School District Records

Note: Enrollment based on annual October district count.

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>High School</u>										
Square Feet	146,637	146,637	146,637	146,637	146,637	146,637	146,637	146,637	146,637	146,637
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	836	799	785	828	806	803	772	719	705	682

Number of Schools at June 30, 2020  
 High School = 1

Source: School District Records

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



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

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

Facility	Project #(s)	2011	2012	2013	2014	2015
<u>School Facilities:</u>						
Lenape Valley High School District	N/A	\$ 422,530	\$ 443,911	\$ 384,627	\$ 209,007	\$ 434,057
<u>School Facilities:</u>						
Lenape Valley High School District	N/A	\$ 303,518	\$ 311,266	\$ 281,953	\$ 344,247	\$ 305,814

N/A - Not Applicable

Source: District records

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund:	\$500,000,000	
Building & Personal Property		\$2,500
Inland Marine - Auto Physical Damage		\$1,000
General Liability including Auto, Employee Benefits		
Each Occurrence	\$5,000,000	
General Aggregate	\$100,000,000	
Product/Completed Ops		
Personal Injury		
Fire Damage	\$2,500,000	
Medical Expenses	\$10,000	
(excluding students taking part in athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non-owned		
Environmental Impairment Liability	\$1,000,000	\$10,000
Fund Aggregate	\$25,000,000	\$100,000
Crime Coverage	\$50,000	\$1,000
Blanket Dishonesty Bond	\$500,000	\$1,000
Boiler and Machinery	\$100,000,000	\$2,500
Excess Liability (AL/GL)	\$5,000,000	
School Board Legal	\$5,000,000	\$5,000
Excess SLPL	\$5,000,000	
Workers' Compensation	NJ Statutory	
Employer's Liability	\$5,000,000	
Supplemental Indemnity	NJ Statutory	
Selective Insurance Company		
Bond for Assistant Superintendent for Business/Board Secretary	\$250,000	
Bond for Treasurer of School Moneys	\$250,000	
Student Accident - U.S. Fire and Insurance Company	\$5,000,000	

Source: School District Records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lenape Valley Regional High School District, in the County of Sussex (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 December 17, 2020.

**Internal Control Over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

December 17, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*  
\_\_\_\_\_  
Valerie A. Dolan  
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Independent Member  
BKR International

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

Independent Auditors' Report

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

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

We have audited the Lenape Valley Regional High School District (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2020. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

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

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

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

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

December 17, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*  
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Valerie A. Dolan  
Licensed Public School Accountant #2625  
Certified Public Accountant

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2019		Cash Received	Budgetary Expenditures	Balance 6/30/2020	
					(Accounts Receivable)	Unearned Revenue			Budgetary Unearned Revenue	Budgetary Accounts Receivable
U.S. Department of Education										
Special Revenue Fund:										
Elementary and Secondary Education Act										
Title I, Part A	84.010	ESEA261519	7/1/18-6/30/19	\$ 45,982	\$ (13,960)		\$ 13,960	\$ (50,006)	\$ (12,231)	
Title I, Part A	84.010	ESEA261520	7/1/19-9/30/20	53,575			37,775			
Total Title I				16,150	(13,960)		51,735	(50,006)	(12,231)	
Title II, Part A	84.367A	ESEA261519	7/1/18-9/30/19	14,897	(214)		214	(7,583)		
Title II, Part A	84.367A	ESEA261520	7/1/19-9/30/20	10,000	(214)		7,797	(7,583)		
Total Title II				10,000	(5,793)		5,793			
Title IV	84.424	ESEA261519	7/1/18-6/30/19	49,896	(19,967)		65,325	(57,589)	(12,231)	
Total Elementary and Secondary Education Act										
COVID 19 - CARES Emergency Relief Grant	84.425D	ESEA359020	3/13/20-9/30/22					(49,828)	(49,828)	
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA261519	7/1/18-6/30/19	147,061	(36,341)		36,341	(145,050)	(35,690)	
I.D.E.A. Part B, Basic	84.027	IDEA261520	7/1/19-9/30/20	147,632			109,360			
Total Special Education Cluster							145,701	(145,050)	(35,690)	
Total Special Revenue Fund							205,233	(252,467)	(97,749)	
U.S. Department of Agriculture										
Passed-Through State Department of Education:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	10,518				(2,105)		
Food Distribution Program	10.555	N/A	7/1/19-6/30/20				9,481	(7,894)	1,587	
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	4,057	(206)		206			
School Breakfast Program	10.553	N/A	7/1/19-6/30/20	3,003			3,003	(3,003)		
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	31,396	(504)		504			
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	29,719			29,719	(29,719)		
COVID 19 - Seamless Summer Option	10.555	N/A	3/18/20-6/30/20	367			287	(367)	(80)	
Total Child Nutrition Cluster					(710)		43,200	(43,088)	(80)	
Total Federal Awards					\$ (51,225)		\$248,433	\$ (295,555)	\$ (97,829)	\$ -0-
N/A - Not Applicable										

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



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance		Cash Received	Budgetary Expenditures	Memo	
				6/30/2019				6/30/2020	
				Budgetary (Accounts Receivable)	Award Amount			GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)
NJ Department of Education:									
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/01/18-6/30/19	\$ 456,213	\$ (22,774)	\$ 22,774	\$ 456,213		\$	456,213
Categorical Special Education Aid	19-495-034-5120-089	7/01/18-6/30/19	464,408	(46,419)	46,419	464,408			464,408
Equalization Aid	19-495-034-5120-078	7/01/18-6/30/19	3,561,234	(355,954)	355,954	3,561,234			3,561,234
Categorical Security Aid	19-495-034-5120-084	7/01/18-6/30/19	20,481	(2,047)	2,047	20,481			20,481
School Choice Aid	19-495-034-5120-068	7/01/18-6/30/19	707,453	(70,712)	70,712	707,453			707,453
Transportation Aid	19-495-034-5120-014	7/01/18-6/30/19	177,329	(17,725)	17,725	177,329			177,329
Extraordinary Aid	19-495-034-5120-044	7/01/18-6/30/19	128,726	(128,726)	128,726	128,726			128,726
Non-Public Transportation	19-495-034-5120-014	7/01/18-6/30/19	4,332	(4,332)	4,332	4,332			4,332
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/01/19-6/30/20	484,302		484,302	\$ (484,302)			484,302
On-Behalf Long Term Disability Insurance Contributions	20-495-034-5094-004	7/01/19-6/30/20	922		922	(922)			922
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/01/19-6/30/20	1,282,472		1,282,472	(1,282,472)			1,282,472
On-Behalf TPAF NCGI Premium	20-495-034-5094-003	7/01/19-6/30/20	22,987		22,987	(22,987)			22,987
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/01/19-6/30/20	438,725		416,776	(438,725)	\$ (21,949)	\$ (21,949)	438,725
Categorical Special Education Aid	20-495-034-5120-089	7/01/19-6/30/20	464,408		417,990	(464,408)		(46,418)	464,408
Equalization Aid	20-495-034-5120-078	7/01/19-6/30/20	3,502,802		3,152,691	(3,502,802)		(350,111)	3,502,802
Categorical Security Aid	20-495-034-5120-084	7/01/19-6/30/20	20,481		18,434	(20,481)		(2,047)	20,481
School Choice Aid	20-495-034-5120-068	7/01/19-6/30/20	662,154		595,971	(662,154)		(66,183)	662,154
Transportation Aid	20-495-034-5120-014	7/01/19-6/30/20	177,329		159,605	(177,329)		(17,724)	177,329
Extraordinary Aid	20-495-034-5120-044	7/01/19-6/30/20	59,757			(59,757)		(59,757)	59,757
Non-Public Transportation	20-495-034-5120-014	7/01/19-6/30/20	1,529			(1,529)		(1,529)	1,529
Total General Fund State Aid				(648,689)	7,200,839	(7,117,868)		(83,235)	12,638,044
Total NJ Department of Education				(648,689)	7,200,839	(7,117,868)		(83,235)	12,638,044

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2019		Cash Received	Budgetary Expenditures	Balance 6/30/2020		Memo		
				Budgetary (Accounts Receivable)	(Accounts Receivable)			GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)	Cumulative Total Expenditures		
State Department of Agriculture												
Enterprise Funds:												
State School Lunch Program	19-100-010-3350-023	7/01/18-6/30/19	\$ 1,091	\$ (16)	\$ 16						\$ 1,091	
State School Lunch Program	20-100-010-3350-023	7/01/19-6/30/20	1,051		1,051	\$ (1,051)					1,051	
COVID 19 - Seamless Summer Option	20-100-010-3350-023	3/18/20-6/30/20	4		3	(4)	\$ (1)				4	
State School Lunch Program - Supplemental	20-100-010-3350-023	7/01/19-6/30/20	359			(359)		(359)			359	
Total Enterprise Fund				(16)	1,070	(1,414)		(360)		(360)	2,505	
Total State Awards				\$ (648,705)	\$ 7,201,909	(7,119,282)		\$ (83,595)		\$ (566,078)	\$ 12,640,549	
Less: On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/01/19-6/30/20	\$ 484,302				\$ 484,302					
On-Behalf Long Term Disability Insurance Contributions	20-495-034-5094-004	7/01/19-6/30/20	922				922					
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/01/19-6/30/20	1,282,472				1,282,472					
On-Behalf TPAF NCGI Premium	20-495-034-5094-003	7/01/19-6/30/20	22,987				22,987					
Subtotal - On-Behalf TPAF Pension System Contributions							1,790,683					
Total State Awards - for Major Program Determinator							\$ (5,328,599)					

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Lenape Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$10,374 for the General Fund and \$-0- for the Special Revenue Fund. See Exhibits C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page:

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,128,242	\$ 7,128,242
Special Revenue Fund	\$ 252,467		252,467
Food Service Fund	<u>43,088</u>	<u>1,413</u>	<u>44,501</u>
Total Awards	<u>\$ 295,555</u>	<u>\$ 7,129,655</u>	<u>\$ 7,425,210</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

<u>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Aid Public:				
Categorical Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 464,408	\$ 464,408
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	3,502,802	3,502,802
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	20,481	20,481
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	662,154	662,154

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516a of the Uniform Guidance or NJ OMB 15-08.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

There were no prior year findings.