

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

Demarest, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Northern Valley Regional High School District

Demarest, New Jersey

For The Fiscal Year Ended June 30, 2020

Prepared by

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-vi
Organizational Chart	vii
Roster of Officials	viii
Consultants and Advisors	ix

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-11
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1	Statement of Net Position	12
A-2	Statement of Activities	13-14

B. Fund Financial Statements

Governmental Funds

B-1	Balance Sheet	15-16
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	17
B-3	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18

Proprietary Funds

B-4	Statement of Net Position	19
B-5	Statement of Revenues, Expenses, and Changes in Net Position	20
B-6	Statement of Cash Flows	21

Fiduciary Funds

B-7	Statement of Fiduciary Net Position	22
B-8	Statement of Changes in Fiduciary Net Position	23

Notes to the Financial Statements	24-66
--	--------------

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	67-72
C-2	Budgetary Comparison Schedule – Special Revenue Fund	73

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Required Supplementary Information – Budgetary Comparison Schedule Notes to the Required Supplementary Information	74
-----	---	----

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	75
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	76
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	77
L-4	Notes to Required Supplementary Information	78
L-5	Required Supplementary Information – Schedule of District’s Proportionate Share of Total OPEB Liability	79
L-6	Notes to Required Supplementary Information	80

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules (Not Applicable)

Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	81-82
E-2	Schedule of Preschool Education Aid – Budgetary Basis – Not Applicable	83

Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	84
F-2	Summary Schedule of Project Expenditures and Changes in Fund Balance – Budgetary Basis	85
F-2a- F-2d	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	86-89

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

G. Proprietary Funds

Enterprise Fund

G-1	Combining Statement of Net Position –	90
G-2	Statement of Revenues, Expenses and Changes in Net Position –	91
G-3	Statement of Cash Flows –	92

H. Fiduciary Funds

H-1	Combining Statement of Agency Assets and Liabilities	93
H-2	Statement of Changes in Fiduciary Net Position – Not Applicable	93
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	94

I. Long-Term Debt

I-1	Schedule of Serial Bonds Payable	95
I-2	Schedule of Obligations Under Capital Lease Agreements/Lease Purchase Agreements	96
I-3	Debt Service Fund Budgetary Comparison Schedule	97

J. STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1	Net Position by Component	98
J-2	Changes in Net Position	99-100
J-3	Fund Balances – Governmental Funds	101
J-4	Changes in Fund Balances – Governmental Funds	102
J-5	Governmental Fund Other Local Revenue by Source	103

Revenue Capacity

J-6	Assessed Value and Actual Value of Taxable Property	104-107
J-7	Direct and Overlapping Property Tax Rates	108-111
J-8	Principal Property Taxpayers	112-115
J-9	Property Tax Levies and Collections	116

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	117
J-11	Ratios of Net General Bonded Debt Outstanding	118
J-12	Direct and Overlapping Governmental Activities Debt	119
J-13	Legal Debt Margin Information	120

Demographic and Economic Information

J-14	Demographic Statistics	121-127
J-15	Principal Employers	128

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

**J. STATISTICAL SECTION (Unaudited)
(Continued)**

Operating Information

J-16	Full Time Equivalent District Employees by Function/Program	129
J-17	Operating Statistics	130
J-18	School Building Information	131
J-19	Schedule of Required Maintenance for School Facilities	132
J-20	Schedule of Insurance	133

K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	134-135
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	136-138
K-3	Schedule of Expenditures of Federal Awards	139
K-4	Schedule of Expenditures of State Financial Assistance	140-141
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	142-143
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	144-145
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	146
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	147
K-8	Summary Schedule of Prior Year Audit Findings	148

INTRODUCTORY SECTION



February 2, 2021

Honorable President and Members of the Board of Education

Northern Valley Regional High School District

Demarest, N.J. 07627

Dear Board Members:

The Comprehensive Annual Financial Report of the Northern Valley Regional High School District for the fiscal year ending June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in the report is accurate in all material respects. The report is designed to present an open review of the financial position and operational results of the District's various funds. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

The Northern Valley Regional High School District is comprised of the municipalities of Closter, Demarest, and Haworth that are constituents of the high school in Demarest. Harrington Park, Northvale, Norwood, and Old Tappan are constituents of the high school at Old Tappan. The 17.3 square mile district has a population of 37,401 as per the 2010 census. The primary language spoken at home is: English 78.0% Korean 12.4%, Hebrew 2.1%, Spanish 2.1%, Mandarin .9%, Russian .9%, Guj .8%, and Other 2.8%. All of the communities are considered upper middle class. The District's high schools house grades 9 through 12 with enrollments of 960 at Demarest High school and 1,170 at Old Tappan High School, based on the October 15, 2019 ASSA report. The Valley Regional program leases one non-public school location as well as classrooms at local district Public Schools to house 207 Special Education students from 45 different Districts.

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

The faculty consists of 305 teachers with 83% holding advanced degrees. This represents certified staff in the high schools and the regional programs. Often our staff members achieve recognition as outstanding educators.

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

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

The Act is an attempt to equalize educational expenditures per pupil between wealthy and poorer school districts. The last several years the Department of Education has abandoned the State Aid formulas, which support transportations aid, technology aid, special education aid, and bilingual aid due to the State financial debt. The State's inability to financially support public schools is a current topic of debate before the citizens. The District maintains a balance in their capital reserve account and set aside funds from the 2019-2020 year as a reserve to reduce the subsequent year tax levy. Uncertainty of state aid impacts the district's ability to plan future tax relief and facility upgrades.

The district received \$2,249,488 of State Aid (budgetary basis) for the 2019-2020 school budget for the general fund. Northern Valley Regional High School District recognized the State's contribution on behalf for TPAF Pension and Social Security. These contributions are equivalent to approximately 11% of the adjusted budget, while the school district State Aid is 4% of the net school budget. The district also recognized that the State of NJ has not funded the pension contribution stated in the fiscal section of the audit. Future funding of New Jersey school districts is uncertain at this time based on the State's concerns that property taxes are the highest in the country.

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

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

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

controls that exceed minimum requirements in all of these areas.

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

5) BUDGETARY CONTROLS: The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual budget approved by the voters of the District. The budget reflected a 2.45% increase in the tax levy, inclusive of the use of a portion of the available banked cap. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Capital project budgets are approved for building infrastructure improvements and are funded from the Capital Reserve Account or the issuance of long-term debt. The fund budget amounts, as amended for the fiscal year, are reflected in the financial section. Expenditures are recorded by department and location for internal purposes. This permits supervisors and administrators to monitor encumbrances so not to exceed budgetary allocations.

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

7) DEBT ADMINISTRATION: The voters of the District approved a building project totaling \$29,881,000 on September 25, 2001. The State of New Jersey, in accordance with the Educational Facilities and Capital Financing Act, has earmarked a \$6,546,180 grant to support the funding for the project. The District funded \$23,334,000 with a \$10,000,000 sale in December 2001 and a \$13,334,000 sale in February 2002. On December 20, 2006, the district refunded the school bonds based on the balance of \$19,680,000. On February 2, 2017 the district refunded the school bonds based on the balance of \$7,400,000.

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

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

The district total obligation in bonds as of June 30, 2020 is \$15,052,000 (see below).

PURPOSE	DATE OF ISSUE	AMOUNT OF ISSUE	BALANCE JUNE 30, 2020
Refunding Bonds	02/02/2017	\$7,400,000.00	\$3,105,000.00
School Improvements	8/4/2009	\$2,290,000.00	\$1,265,000.00
improvements to roofs and exterior items; windows and brick replacement			
School Improvements	7/12/2016	\$11,707,000.00	\$10,682,000.00
upgrades to auditoriums, addition of Physics, forensic and STEM classrooms			
DISTRICT TOTAL OBLIGATION AS OF JUNE 30,2020			\$15,052,000.00

The district's additions at both high schools allow students to enjoy facilities that are appropriate for today's educational program. The district will continue the prudent fiscal path during the 2020-2021 school year to provide the constituent districts with a favorable tax impact and maintain high quality facilities with reasonable longevity.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to the Financial Statements"; Note 3 The District has an approved policy authorizing the board secretary to invest current funds within the limitations of the State of New Jersey statutes. Excess funds are invested according to procedures on a continuous basis. This resulted in \$150,986 interest income for the 2019-2020 school year. This represents a decrease in interest income from the previous year's total of \$165,758. This year's interest is inclusive of \$9,461 of interest from the Capital Projects fund.

9) RISK MANAGEMENT: The Board of Education policy states that the appropriate insurance coverage is attained at the most reasonable cost. The Board carries several types of insurance including property and liability. Property insurance including all buildings and contents is limited to \$120,460,500 loss. All insurance claims are handled through the Board Secretary and the Board appointed risk manager. These insurance limits represent significant increases in coverage with a new insurance carrier, New Jersey School Board Association Insurance Group.

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

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

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

Respectfully Submitted

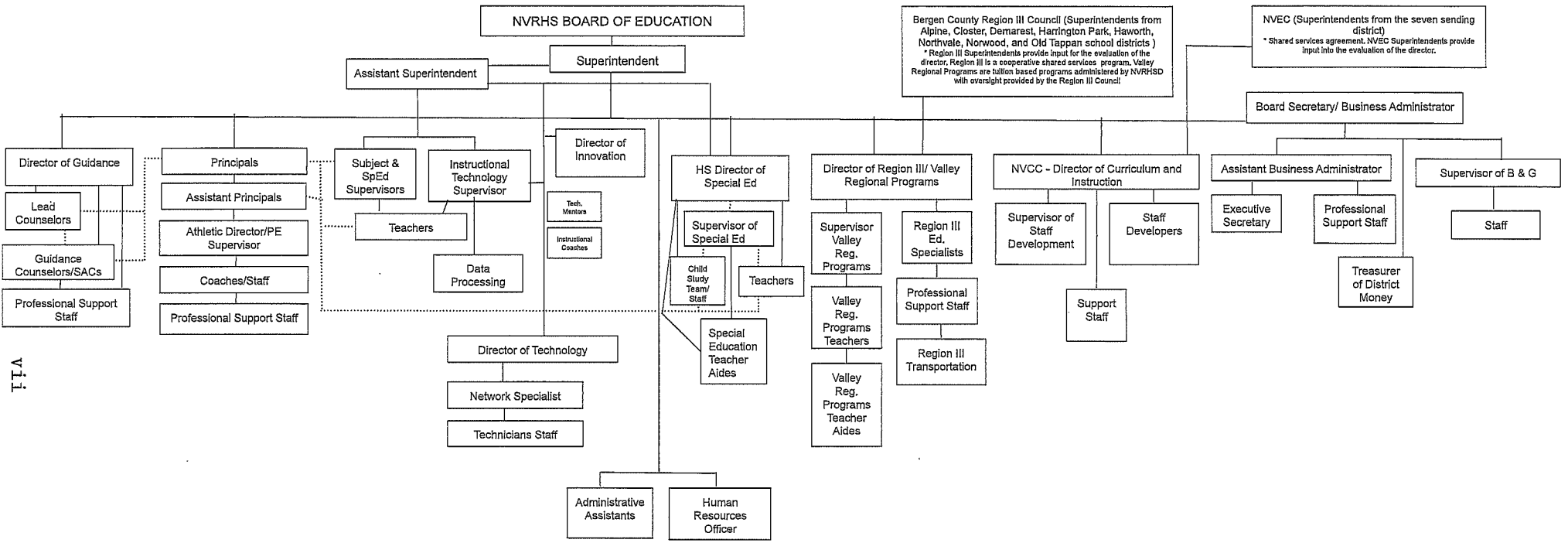


James Santana
Superintendent



Marc A. Capizzi
School Business Administrator/
Board Secretary

Programs
Neal Moles
Valley
Occupational & Physical Therapy
Gifted & Talented
Senior Options – Structured Learning Experience
Professional Development
Teens & Tots
Little Tots
Athletic
Access
Curriculum Development
Home Consulting
Summer K-8
Psychiatric
Speech Evaluations
Learning Evaluations
Behavior Evaluations
Social Skills - After School
Summit Success
TIP
SLICE
Summit Academy



Bergen County Region III Council (Superintendents from Alpine, Closter, Demarest, Harrington Park, Haworth, Northvale, Norwood, and Old Tappan school districts)
 * Region III Superintendents provide input for the evaluation of the director. Region III is a cooperative shared services program. Valley Regional Programs are full-time based programs administered by NVRHSD with oversight provided by the Region III Council

NVEC (Superintendents from the seven sending district)
 * Shared services agreement. NVEC Superintendents provide input into the evaluation of the director.

T.T.A

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mr. Joseph Argenziano, President	2020
Mr. Ghanshyam C. Vaghasia, Vice President	2021
Mr. Dan Eller	2021
Ms. Kathleen Fable	2021
Mrs. Tiffany Kaplan	2020
Dr. George Kipel	2022
Mr. Peter Micera	2021
Mr. Drew Porschen	2022
Ms. Jessica Spillane	2020

<u>Other Officials</u>	<u>Title</u>
Mr. James Santana	Superintendent
Ms. Deborah Sarmir	Assistant Superintendent
Mr. Marc A. Capizzi	Business Administrator/Board Secretary
Ms. Colleen Briggs	Assistant Business Administrator
Mr. Daniel Hauser	Assistant Business Administrator
Dr. Timothy Gouraige	Principal, NVRHS at Demarest
Dr. Bruce Sabatini	Principal, NVRHS at Old Tappan

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors

Architect

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

General Council Attorney

Cleary, Jacobbe, Alfieri & Jacobs
955 State Route 34, Suite 200
Matawan, New Jersey 07747

Special Education/HIB Attorney

Machado Law Group, LLC
1 Cleveland Place
Springfield, New Jersey 07081

Auditor

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

Official Depository

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

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Information

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

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

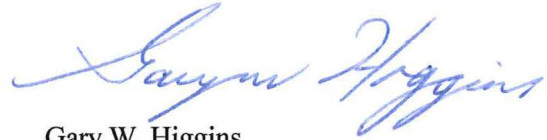
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2021 on our consideration of the Northern Valley Regional High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Northern Valley Regional High School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Northern Valley Regional High School District's internal control over financial reporting and compliance.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 2, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Financial Highlights

- General revenues accounted for \$57,981,526 in revenue or 56 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$45,176,615 or 44 percent of all revenues.
- Total net position of governmental activities amounted to \$(6,522,177) as of June 30, 2020.
- The District had \$72,077,498 in expenses related to governmental activities; only \$18,224,361 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) and transfers of \$58,776,507 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$68,976,467 in revenues and other financing sources and \$67,033,487 in expenditures and other financing uses. The General Fund's fund balance increased in the fiscal year ended June 30, 2020 by \$1,942,980 from the fiscal year ended June 30, 2019 balance of \$5,931,380 to \$7,874,360.

Using the Comprehensive Annual Financial report (CAFR)

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

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2020?" The *Statement of Net position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

Enterprise Fund

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

Notes to the Financial Statements

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

The District as a Whole

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

Table 1 provides a summary of the District's net position as of June 30, 2020 and 2019.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current Assets	\$ 10,780,024	\$ 7,408,194	\$ 5,389,883	\$ 5,587,454	\$ 16,169,907	\$ 12,995,648
Capital Assets	<u>26,394,918</u>	<u>19,362,610</u>	<u>97,801</u>	<u>92,748</u>	<u>26,492,719</u>	<u>19,455,358</u>
Total Assets	<u>37,174,942</u>	<u>26,770,804</u>	<u>5,487,684</u>	<u>5,680,202</u>	<u>42,662,626</u>	<u>32,451,006</u>
Deferred Outflows of Resources	<u>2,476,028</u>	<u>4,083,282</u>	<u>1,476,374</u>	<u>2,675,800</u>	<u>3,952,402</u>	<u>6,759,082</u>
Total Assets and Deferred Outflows of Resources	<u>39,650,970</u>	<u>30,854,086</u>	<u>6,964,058</u>	<u>8,356,002</u>	<u>46,615,028</u>	<u>39,210,088</u>
Liabilities						
Long-Term Liabilities	37,286,694	35,068,903	9,318,875	10,929,361	46,605,569	45,998,264
Other Liabilities	<u>2,904,627</u>	<u>1,525,283</u>	<u>415,521</u>	<u>251,004</u>	<u>3,320,148</u>	<u>1,776,287</u>
Total Liabilities	<u>40,191,321</u>	<u>36,594,186</u>	<u>9,734,396</u>	<u>11,180,365</u>	<u>49,925,717</u>	<u>47,774,551</u>
Deferred Inflows of Resources	<u>5,981,826</u>	<u>5,705,447</u>	<u>3,577,231</u>	<u>3,751,427</u>	<u>9,559,057</u>	<u>9,456,874</u>
Total Liabilities and Deferred Inflows of Resources	<u>46,173,147</u>	<u>42,299,633</u>	<u>13,311,627</u>	<u>14,931,792</u>	<u>59,484,774</u>	<u>57,231,425</u>
Net Position						
Net Investment in Capital Assets	5,576,485	1,751,382	97,801	92,748	5,674,286	1,844,130
Restricted	6,137,258	4,567,420			6,137,258	4,567,420
Unrestricted	<u>(18,235,920)</u>	<u>(17,764,349)</u>	<u>(6,445,370)</u>	<u>(6,668,538)</u>	<u>(24,681,290)</u>	<u>(24,432,887)</u>
Total Net Position	<u>\$ (6,522,177)</u>	<u>\$ (11,445,547)</u>	<u>\$ (6,347,569)</u>	<u>\$ (6,575,790)</u>	<u>\$ (12,869,746)</u>	<u>\$ (18,021,337)</u>

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

The District's combined net position were \$(12,869,746) and \$(18,021,337) on June 30, 2020 and 2019, respectively. This was an increase of \$5,151,591 or 29 percent from the fiscal year ended June 30, 2019.

Table 2 shows changes in net position for the fiscal years ended June 30, 2020 and 2019.

Change in Net Position
For The Years Ended June 30, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 946,447	\$ 705,287	\$ 21,883,343	\$ 22,994,022	\$ 22,829,790	\$ 23,699,309
Operating Grants and Contributions	17,042,824	18,239,000	5,068,911	4,768,312	22,111,735	23,007,312
Capital Grants and Contributions	235,090	50,502			235,090	50,502
General Revenues						
Property Taxes	56,632,389	55,306,997			56,632,389	55,306,997
State and Federal Aid	245,331	240,764			245,331	240,764
Other	1,098,787	593,014	5,019	70,635	1,103,806	663,649
Special Items						
Change in Net Pension Liability	-	-	-	11,234	-	11,234
Total Revenues	<u>76,200,868</u>	<u>75,135,564</u>	<u>26,957,273</u>	<u>27,844,203</u>	<u>103,158,141</u>	<u>102,979,767</u>
Expenses						
Instruction						
Regular	34,075,091	35,994,518			34,075,091	35,994,518
Special Education	8,414,650	7,038,978			8,414,650	7,038,978
Other Instruction	134,919	384,015			134,919	384,015
School Sponsored Activities, Athletics and Programs	3,558,156	3,430,891			3,558,156	3,430,891
Support Services						
Student and Instruction Related Services	10,976,335	9,196,610			10,976,335	9,196,610
General and Business Administration Services	2,908,341	2,412,294			2,908,341	2,412,294
School Administration Services	3,145,409	4,817,049			3,145,409	4,817,049
Plant Operations and Maintenance	6,765,554	7,391,167			6,765,554	7,391,167
Pupil Transportation	1,647,369	2,040,701			1,647,369	2,040,701
Interest on Long-Term Debt	451,674	397,139			451,674	397,139
Business-type Activities	-	-	25,929,052	26,785,781	25,929,052	26,785,781
Total Expenses	<u>72,077,498</u>	<u>73,103,362</u>	<u>25,929,052</u>	<u>26,785,781</u>	<u>98,006,550</u>	<u>99,889,143</u>
Change in Net Position	4,123,370	2,032,202	1,028,221	1,058,422	5,151,591	3,090,624
Transfers	800,000	(16,337)	(800,000)	16,337	-	-
Net Position, Beginning of Year	<u>(11,445,547)</u>	<u>(13,461,412)</u>	<u>(6,575,790)</u>	<u>(7,650,549)</u>	<u>(18,021,337)</u>	<u>(21,111,961)</u>
Net Position, End of Year	<u>\$ (6,522,177)</u>	<u>\$ (11,445,547)</u>	<u>\$ (6,347,569)</u>	<u>\$ (6,575,790)</u>	<u>\$ (12,869,746)</u>	<u>\$ (18,021,337)</u>

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

Governmental Activities

The District's total governmental activities revenues were \$76,200,868 and \$73,135,564 for the years ended June 30, 2020 and 2019, respectively. Property taxes made up 74 and 74 percent of revenues for governmental activities for the Northern Valley Regional High School District for fiscal years 2020 and 2019, respectively. Federal, state and local grants and aid accounted for 23 and 25 percent of revenue for the fiscal years ended June 30, 2020 and 2019, respectively.

The total cost of all programs and services was \$72,077,498 and \$73,103,362 for the fiscal years ended June 30, 2020 and 2019, respectively. Instruction comprises 64 and 64 percent of governmental program expenses for the years ended June 30, 2020 and 2019, respectively. Support services expenses make up 35 and 35 percent of governmental expenses for the years ended June 30, 2020 and 2019, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction				
Regular	\$ 34,075,091	\$ 35,994,518	\$ 24,608,619	\$ 25,160,076
Special Education	8,414,650	7,038,978	4,131,865	3,964,670
Other Instruction	134,919	384,015	7,261	4,972
School Sponsored Activities, Athletics and Programs	3,558,156	3,430,891	2,632,476	2,476,676
Support Services				
Student and Instruction Related Services	10,976,335	9,196,610	9,023,831	7,477,770
General and Business Administration Services	2,908,341	2,412,294	2,498,119	2,009,014
School Administration Services	3,145,409	4,817,049	2,705,334	3,713,909
Plant Operations and Maintenance	6,765,554	7,391,167	6,463,860	7,196,983
Pupil Transportation	1,647,369	2,040,701	1,330,098	1,707,364
Interest on Long-Term Debt	<u>451,674</u>	<u>397,139</u>	<u>451,674</u>	<u>397,139</u>
Total	<u>\$ 72,077,498</u>	<u>\$ 73,103,362</u>	<u>\$ 53,853,137</u>	<u>\$ 54,108,573</u>

Business-Type Activities

The District's total business-type activities revenues and operating transfers were \$26,957,273 and \$27,860,540 and expenses and operating transfers were \$26,729,052 and \$26,785,781 in fiscal years ended June 30, 2020 and 2019, respectively. Of the revenues, \$21,883,343 and \$22,994,022 was charges for services; \$5,068,911 and \$4,779,546 was from State related on behalf pension reimbursements for the years ended June 30, 2020 and 2019, respectively.

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

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$72,161,186 and \$69,630,839 and expenditures were \$77,167,885 and \$68,443,257 for the fiscal years ended June 30, 2020 and 2019, respectively. The net change in the governmental funds - fund balances for the year after other financing sources and uses was an increase of \$2,037,162.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2020 and 2019.

<u>Revenue</u>	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2020</u>	<u>2019</u>		
Local Sources	\$ 58,800,939	\$ 56,677,712	\$ 2,123,227	3.75%
State Sources	12,375,448	12,024,517	350,931	2.92%
Federal Sources	984,799	928,610	56,189	6.05%
Total Governmental Fund Revenues	<u>\$ 72,161,186</u>	<u>\$ 69,630,839</u>	<u>\$ 2,530,347</u>	3.63%

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2020 and 2019.

	<u>Years Ended</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2020</u>	<u>2019</u>		
Current Expense				
Instruction	\$ 42,826,816	\$ 42,405,697	\$ 421,119	0.99%
Support Services	22,438,596	22,314,331	124,265	0.56%
Capital Outlay	8,603,056	965,238	7,637,818	791.29%
Debt Service				
Principal	2,748,859	2,220,985	527,874	23.77%
Interest and Other Charges	550,558	537,006	13,552	2.52%
Total Expenditures	<u>\$ 77,167,885</u>	<u>\$ 68,443,257</u>	<u>\$ 8,724,628</u>	12.75%

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

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of fiscal years 2020 and 2019, the District had \$26,394,918 and \$19,362,610 and \$97,801 and \$92,748 invested in land, land improvements, buildings and building improvements, furniture and equipment and vehicles and construction in progress for governmental and business-type activities net of accumulated depreciation, respectively. Overall capital assets for governmental activities increased \$7,032,308 and business-type activities increased \$5,053 from the fiscal year ended June 30, 2019 to fiscal year ended June 30, 2020. Tables A-4 and A-5 show capital assets and the related depreciation for governmental activities and business-type activities at June 30, 2020 and 2019, respectively.

Table A-4
Capital Assets
Governmental Activities
as of June 30, 2020 and 2019

	<u>2020</u>	<u>Total</u> <u>2019</u>
Land	\$ 2,643,627	\$ 2,299,500
Land Improvements	18,205,607	11,075,418
Construction in Progress	-	192,525
Buildings and Building Improvements	27,228,671	26,176,166
Machinery and Equipment	<u>3,197,595</u>	<u>2,928,835</u>
	51,275,500	42,672,444
Less Accumulated Depreciation	<u>24,880,582</u>	<u>23,309,834</u>
Capital Assets, Net	<u>\$26,394,918</u>	<u>\$19,362,610</u>

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

Table A-5
Capital Assets
Business-type Activities
as of June 30, 2020 and 2019

	<u>2020</u>	<u>Total</u> <u>2019</u>
Machinery and Equipment	\$ 500,737	\$ 477,581
Less Accumulated Depreciation	<u>402,936</u>	<u>384,833</u>
Capital Assets, Net	<u>\$ 97,801</u>	<u>\$ 92,748</u>

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

Long-Term Liabilities

At June 30, 2020 and 2019, the District had \$46,605,569 and \$45,998,264 of long-term liabilities. Of this amount, \$1,190,182 and \$1,049,500 is for compensated absences; and \$15,153,922 and \$17,475,169 of bonds payable, including unamortized premium, and \$24,589,711 and \$27,303,046 for net pension liability and \$5,671,754 and \$170,549 for capital leases payable, including unamortized premium, respectively.

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

For the Future

Northern Valley Regional High School District demonstrated strengths in developing and implementing budgets was a major factor in the successes of the 2019-2020 school year. The process is broad based and includes the staff, administration and Board of Education. All effort in the development of a budget are directed at achieving district goals. As we look forward, the administration and staff are prepared to face the new economic realities of no increases in state aid and 2% caps on tax increases. In these difficult times improvement of student achievement will always be our paramount consideration.

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 9,982,916	\$ 3,603,955	\$ 13,586,871
Receivables, net			
Receivables from Other Governments	695,934	601,198	1,297,132
Other	19,650	1,162,330	1,181,980
Internal Balances	8,231	(8,231)	-
Due from Other Funds	73,293		73,293
Inventories		30,631	30,631
Capital Assets			
Not Being Depreciated	2,643,627		2,643,627
Being Depreciated, net	<u>23,751,291</u>	<u>97,801</u>	<u>23,849,092</u>
Total Assets	<u>37,174,942</u>	<u>5,487,684</u>	<u>42,662,626</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding of Debt	7,243		7,243
Deferred Amounts on Net Pension Liability	<u>2,468,785</u>	<u>1,476,374</u>	<u>3,945,159</u>
Total Deferred Outflow of Resources	<u>2,476,028</u>	<u>1,476,374</u>	<u>3,952,402</u>
Total Assets and Deferred Outflow of Resources	<u>39,650,970</u>	<u>6,964,058</u>	<u>46,615,028</u>
LIABILITIES			
Accounts Payable and Other Liabilities	2,061,767	414,121	2,475,888
Intergovernmental Payable	22,446		22,446
Accrued Interest Payable	240,936		240,936
Unearned Revenue	579,478	1,400	580,878
Noncurrent Liabilities			
Due Within One Year	2,844,970		2,844,970
Due Beyond One Year	<u>34,441,724</u>	<u>9,318,875</u>	<u>43,760,599</u>
Total Liabilities	<u>40,191,321</u>	<u>9,734,396</u>	<u>49,925,717</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>5,981,826</u>	<u>3,577,231</u>	<u>9,559,057</u>
Total Liabilities and Deferred Inflows of Resources	<u>46,173,147</u>	<u>13,311,627</u>	<u>59,484,774</u>
NET POSITION			
Net Investment in Capital Assets	5,576,485	97,801	5,674,286
Restricted for:			
Capital Projects	6,137,258		6,137,258
Unrestricted	<u>(18,235,920)</u>	<u>(6,445,370)</u>	<u>(24,681,290)</u>
Total Net Position	<u>\$ (6,522,177)</u>	<u>\$ (6,347,569)</u>	<u>\$ (12,869,746)</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction							
Regular	\$ 34,075,091	\$ 372,079	\$ 9,094,394		\$ (24,608,618)		\$ (24,608,618)
Special Education	8,414,650	566,510	3,716,274		(4,131,866)		(4,131,866)
Other Instruction	134,919	7,858	119,800		(7,261)		(7,261)
School Sponsored Activities and Athletics	3,558,156		925,680		(2,632,476)		(2,632,476)
Support Services							
Student and Instruction Related Services	10,976,335		1,952,503		(9,023,832)		(9,023,832)
School Administration Services	3,145,409		440,075		(2,705,334)		(2,705,334)
General Administration Services	1,661,752		169,143		(1,492,609)		(1,492,609)
Plant Operations and Maintenance	6,765,554		66,604	\$ 235,090	(6,463,860)		(6,463,860)
Pupil Transportation	1,647,369		317,271		(1,330,098)		(1,330,098)
Business and Other Support Services	1,246,589		241,080		(1,005,509)		(1,005,509)
Interest on Long-Term Debt and Other Charges	451,674	-	-	-	(451,674)	-	(451,674)
Total Governmental Activities	72,077,498	946,447	17,042,824	235,090	(53,853,137)	-	(53,853,137)
Business-Type Activities:							
Technical Services	355,934	396,015				\$ 40,081	40,081
Regional Cooperative Program	1,695,216	1,032,428	375,538			(287,250)	(287,250)
Regional Transportation	1,861,787	1,836,462				(25,325)	(25,325)
Regional Special Education	20,990,876	17,668,651	4,627,763			1,305,538	1,305,538
Other Nonmajor Programs	1,025,239	949,787	65,610	-	-	(9,842)	(9,842)
Total Business-Type Activities	25,929,052	21,883,343	5,068,911	-	-	1,023,202	1,023,202
Total Primary Government	\$ 98,006,550	\$ 22,829,790	\$ 22,111,735	\$ 235,090	(53,853,137)	1,023,202	(52,829,935)

Continued

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

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Total Primary Government (Carried Forward)	\$ (53,853,137)	\$ 1,023,202	\$ (52,829,935)
General Revenues and Transfers			
Taxes:			
Property Taxes, Levied for General Purposes	54,206,644		54,206,644
Taxes Levied for Debt Service	2,425,745		2,425,745
State Aid Restricted for Debt Service	245,331		245,331
Miscellaneous Income	1,098,787	5,019	1,103,806
Transfers	800,000	(800,000)	-
Total General Revenues and Transfers	58,776,507	(794,981)	57,981,526
Change in Net Position	4,923,370	228,221	5,151,591
Net Position Beginning of Year	(11,445,547)	(6,575,790)	(18,021,337)
Net Position End of Year	\$ (6,522,177)	\$ (6,347,569)	\$ (12,869,746)

FUND FINANCIAL STATEMENTS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash and Cash Equivalents	\$ 8,919,828		\$ 155,127	\$ -	\$ 9,074,955
Receivables, Net					
Receivables From Other Governments	111,185	\$ 208,446	376,303		695,934
Other		19,650			19,650
Due from Other Funds	213,093	-	-	-	213,093
Restricted Cash with Fiscal Agents	<u>-</u>	<u>-</u>	<u>907,961</u>	<u>-</u>	<u>907,961</u>
 Total Assets	 <u>\$ 9,244,106</u>	 <u>\$ 228,096</u>	 <u>\$ 1,439,391</u>	 <u>\$ -</u>	 <u>\$ 10,911,593</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,170,918	\$ 81,419	\$ 808,630		\$ 2,060,967
Due to Other Funds	14,596	103,488	13,485		131,569
Other Payable	800				800
Payable to Other Governments		22,446			22,446
Unearned Revenue	<u>183,432</u>	<u>20,743</u>	<u>375,303</u>	<u>-</u>	<u>579,478</u>
 Total Liabilities	 <u>1,369,746</u>	 <u>228,096</u>	 <u>1,197,418</u>	 <u>-</u>	 <u>2,795,260</u>
Fund Balances					
Restricted					
Excess Surplus	1,177,398				1,177,398
Excess Surplus - Designated for Subsequent Year's Budget	300,000				-
Capital Reserve	4,114,970				300,000
Capital Reserve - Designated for Subsequent Year's Budget	1,780,315				4,114,970
Capital Projects			241,973		1,780,315
Committed					241,973
Year-end Encumbrances	62,293				62,293
Assigned					
Year-end Encumbrances	47,851				47,851
Designated for Subsequent Year's Budget	145				145
Unassigned	<u>391,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,388</u>
 Total Fund Balances	 <u>7,874,360</u>	 <u>-</u>	 <u>241,973</u>	 <u>-</u>	 <u>8,116,333</u>
 Total Liabilities and Fund Balances	 <u>\$ 9,244,106</u>	 <u>\$ 228,096</u>	 <u>\$ 1,439,391</u>	 <u>\$ -</u>	 <u>\$ 10,911,593</u>

EXHIBIT B-1

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

Total Fund Balance - Governmental Funds (Exhibit B-1) \$ 8,116,333

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,275,500 and the accumulated depreciation is \$24,880,582.

26,394,918

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

(240,936)

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

Bonds Payable, Including Unamortized Premium	\$ (15,153,922)
Compensated Absences	(1,073,372)
Capital Leases Payable	(5,671,754)
Net Pension Liability	<u>(15,387,646)</u>

(37,286,694)

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

7,243

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

Deferred Outflows of Resources	2,468,785
Deferred Inflows of Resources	<u>(5,981,826)</u>

(3,513,041)

Net Position of Governmental Activities (Exhibit A-1) \$ (6,522,177)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 54,206,644			\$ 2,425,745	\$ 56,632,389
Miscellaneous	2,035,773	\$ 123,316	\$ 9,461	-	2,168,550
Total - Local Sources	56,242,417	123,316	9,461	2,425,745	58,800,939
State Sources	11,918,534	211,583		245,331	12,375,448
Federal Sources	15,516	969,283	-	-	984,799
Total Revenues	68,176,467	1,304,182	9,461	2,671,076	72,161,186
EXPENDITURES					
Current					
Regular Instruction	31,174,521	258,107			31,432,628
Special Education Instruction	7,540,800	430,495			7,971,295
Other Instruction	13,872	119,687			133,559
School Sponsored Activities and Athletics	3,289,334				3,289,334
Support Services					
Student and Instruction Related Services	9,725,388	425,803			10,151,191
General Administration Services	1,586,057				1,586,057
School Administration Services	2,883,823				2,883,823
Plant Operations and Maintenance	5,018,258				5,018,258
Pupil Transportation	1,627,222				1,627,222
Business and Other Support Services	1,172,045				1,172,045
Debt Service					
Principal	518,859			2,230,000	2,748,859
Interest	104,333			446,225	550,558
Capital Outlay	1,578,975	70,090	6,953,991	-	8,603,056
Total Expenditures	66,233,487	1,304,182	6,953,991	2,676,225	77,167,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,942,980	-	(6,944,530)	(5,149)	(5,006,699)
OTHER FINANCING SOURCES (USES)					
Premium on Leases			815,361		815,361
Foundation Contribution			165,000		165,000
Lease Purchase Proceeds			5,263,500		5,263,500
Transfers In	800,000		800,000		1,600,000
Transfers Out	(800,000)	-	-	-	(800,000)
Total Other Financing Sources (Uses)	-	-	7,043,861	-	7,043,861
Net Change in Fund Balances	1,942,980	-	99,331	(5,149)	2,037,162
Fund Balance, Beginning of Year	5,931,380	-	142,642	5,149	6,079,171
Fund Balance, End of Year	\$ 7,874,360	\$ -	\$ 241,973	\$ -	\$ 8,116,333

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 2,037,162**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	\$ (1,570,748)	
Capital Outlay	<u>8,603,056</u>	
		7,032,308

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

This amount is the net effect of these difference in the treatment of long term debt.

Debt issued or incurred:		
Capital lease financing	(5,263,500)	
Add: Issuance premium	(815,361)	
Principal Payments:		
General Obligation Bonds	2,230,000	
Capital Leases Payable	<u>518,859</u>	
		(3,330,002)

Governmental Funds report the effect of issuance costs, premiums and deferred amounts on refundings pertaining to bonds issued when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Premium	150,044	
Amortization of Deferred Amount on Refunding	<u>(6,484)</u>	
		143,560

In the statement of activities, certain operating expense are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid).

Net Change in Compensated Absences	(122,446)	
Net Change in Pension Expense	<u>(792,536)</u>	
		(914,982)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in Accrued Interest		<u>(44,676)</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 4,923,370**

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

	Business-Type Activities					
	Enterprise Fund					Total Enterprise Funds
	Technical Services	Major Programs			Other Nonmajor Enterprise Funds	
	Regional Coop Prgm	Regional Transportation	Regional Special Ed			
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 128,980	\$ 368,313		\$ 3,004,238	\$ 102,424	\$ 3,603,955
Intergovernmental Receivable		2,378	\$ 564,555	20,135	314	587,382
Other Accounts Receivable	49,735	14,048		1,112,103	260	1,176,146
Due from Other Funds		246,506		8,802	5,794	261,102
Inventories	-	-	-	-	30,631	30,631
Total Current Assets	178,715	631,245	564,555	4,145,278	139,423	5,659,216
Capital Assets						
Furniture, machinery & equipment		5,268		233,967	261,502	500,737
Less: Accumulated Depreciation	-	(3,162)	-	(190,872)	(208,902)	(402,936)
Total Capital Assets	-	2,106	-	43,095	52,600	97,801
DEFERRED OUTFLOW OF RESOURCES						
Deferred Amounts on Net Pension Liability	-	61,400	-	1,414,974	-	1,476,374
Total Deferred Outflow of Resources	-	61,400	-	1,414,974	-	1,476,374
Total Assets and Deferred Outflow of Resources	178,715	694,751	564,555	5,603,347	192,023	7,233,391
LIABILITIES						
Current Liabilities						
Accounts Payable	32,917	1,668	169,538	158,717	21,494	384,334
Due to Other Funds		2,378	246,506	20,135	314	269,333
Other Payable				8,792	20,995	29,787
Unearned Revenue	-	-	-	800	600	1,400
Total Current Liabilities	32,917	4,046	416,044	188,444	43,403	684,854
Noncurrent Liabilities						
Compensated Absences		31,122		85,688	-	116,810
Net Pension Liability	-	382,696	-	8,819,369	-	9,202,065
Total Noncurrent Liabilities	-	413,818	-	8,905,057	-	9,318,875
DEFERRED INFLOW OF RESOURCES						
Deferred Amounts on Net Pension Liability	-	148,770	-	3,428,461	-	3,577,231
Total Deferred Inflow of Resources	-	148,770	-	3,428,461	-	3,577,231
Total Liabilities and Deferred Inflow of Resources	32,917	566,634	416,044	12,521,962	43,403	13,580,960
NET POSITION						
Net Investment in Capital Assets	-	2,106	-	43,095	52,600	97,801
Unrestricted	145,798	126,011	148,511	(6,961,710)	96,020	(6,445,370)
Total Net Position	\$ 145,798	\$ 128,117	\$ 148,511	\$ (6,918,615)	\$ 148,620	\$ (6,347,569)

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

	Business-Type Activities					
	Enterprise Fund				Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Major Programs			Regional Special Ed		
Technical Services	Regional Coop Prgm	Regional Transportation	Regional Special Ed			
OPERATING REVENUES						
Charges for Services						
Daily sales - non-reimbursable					\$ 691,687	\$ 691,687
Special Functions					37,194	37,194
Charges and Fees	\$ 396,015	\$ 1,032,428	\$ 1,834,962	\$ 17,668,651	220,906	21,152,962
Miscellaneous	-	-	1,500	-	-	1,500
Total Operating Revenues	<u>396,015</u>	<u>1,032,428</u>	<u>1,836,462</u>	<u>17,668,651</u>	<u>949,787</u>	<u>21,883,343</u>
OPERATING EXPENSES						
Cost of Sales - non-reimbursable					303,097	303,097
Salaries/Salaries of Teachers	106,596	889,448		11,063,315	388,351	12,447,710
Unallocated Benefits	41,671	553,465		7,870,710	155,668	8,621,514
Purchased Professional and Technical Services		182,623	242	297,699		480,564
Purchased Property Services				939,614		939,614
Other Purchased Services	207,667	8,789	1,861,545	75,969	162,927	2,316,897
Supplies and Materials		19,866		80,914	9,500	110,280
Depreciation		1,054		11,353	5,696	18,103
Other Objects	-	39,971	-	651,302	-	691,273
Total Operating Expenses	<u>355,934</u>	<u>1,695,216</u>	<u>1,861,787</u>	<u>20,990,876</u>	<u>1,025,239</u>	<u>25,929,052</u>
Operating Income (Loss)	40,081	(662,788)	(25,325)	(3,322,225)	(75,452)	(4,045,709)
NONOPERATING REVENUES/EXPENSES						
On-Behalf (Non-Budgeted)						
TPAF Pension System						
Post Retirement Medical		52,697		521,408	10,328	584,433
Normal Cost		139,546		1,380,733	27,348	1,547,627
NCGI		2,501		24,748	490	27,739
Long-Term Disability		78		775	15	868
Reimbursed TPAF S.S.		51,221		506,053	10,032	567,306
GASB 68 - TPAF On Behalf Adjustment		88,770		878,828	17,397	984,995
GASB 75 - OPEB On Behalf Adjustment		69,067		683,384		752,451
Change in Net Pension Liability - PERS		(28,342)		631,834		603,492
Interest	1,097	-	-	-	3,922	5,019
Total Non-Operating Revenues/Expenses	<u>1,097</u>	<u>375,538</u>	<u>-</u>	<u>4,627,763</u>	<u>69,532</u>	<u>5,073,930</u>
Net Income (Loss) Transfers	41,178	(287,250)	(25,325)	1,305,538	(5,920)	1,028,221
Transfers						
Transfers In(Out)	-	-	-	(800,000)	-	(800,000)
Change in Net Position	41,178	(287,250)	(25,325)	505,538	(5,920)	228,221
Total Net Position - Beginning of Year	104,620	415,367	173,836	(7,424,153)	154,540	(6,575,790)
Total Net Position - Ending of Year	<u>\$ 145,798</u>	<u>\$ 128,117</u>	<u>\$ 148,511</u>	<u>\$ (6,918,615)</u>	<u>\$ 148,620</u>	<u>\$ (6,347,569)</u>

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

-100000

	Business-Type Activities					
	Enterprise Fund				Other Nonmajor Enterprise Funds	Total Enterprise Funds
	Technical Services	Major Programs		Regional Special Ed		
	Regional Coop Prgm	Regional Transportation				
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 352,187	\$ 1,018,270	\$ 1,919,776	\$ 17,232,102	\$ 939,722	\$ 21,462,057
Payments to Employees and Benefits	(148,267)	(1,030,302)		(15,109,864)	(492,775)	(16,781,208)
Payments to Suppliers for Goods and Services	(174,750)	(250,931)	(1,692,249)	(1,894,534)	(474,732)	(4,487,196)
Net Cash Provided (Used by) operating activities	29,170	(262,963)	227,527	227,704	(27,785)	193,653
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash received from State Subsidy Reimbursement						-
Interfund Transfers	-	229,824	(227,527)	(779,865)	314	(777,254)
Net cash provided by (used for) Noncapital financing activities	-	229,824	(227,527)	(779,865)	314	(777,254)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	-	-	-	-	(23,156)	(23,156)
Net cash provided by(used for) capital and related financing activities	-	-	-	-	(23,156)	(23,156)
CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES						
Interest on Deposits	1,097	-	-	-	3,922	5,019
Net cash provided by(used for) capital and related financing activities	1,097	-	-	-	3,922	5,019
Net increase (decrease) in cash and cash equivalents	30,267	(33,139)	-	(552,161)	(46,705)	(601,738)
Cash and Cash Equivalents (Overdraft) - Beginning of Year	98,713	401,452	-	3,556,399	149,129	4,205,693
Cash and Cash Equivalents (Overdraft) - End of Year	\$ 128,980	\$ 368,313	\$ -	\$ 3,004,238	\$ 102,424	\$ 3,603,955
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities						
Operating Income(Loss)	\$ 40,081	\$ (662,788)	\$ (25,325)	\$ (3,322,225)	\$ (75,452)	\$ (4,045,709)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities						
Non-Cash State On Behalf TPAF Pension and OPEB Contributions		403,880		3,995,929	65,610	4,465,419
Depreciation		1,054		11,353	5,696	18,103
(Increase) Decrease in other accounts receivable, net	(43,828)	(14,158)	83,314	(432,061)	310	(406,423)
(Increase) Decrease in inventories					(20,490)	(20,490)
(Increase) Decrease in Deferred Outflows of Resources						-
Increase(decrease) in unearned revenues				(950)	(650)	(1,600)
Increase(decrease) in other payable				(3,538)	(9,725)	(13,263)
Increase(decrease) in accounts payable	32,917	318	169,538	150,964	21,282	375,019
Increase(decrease) in accrued salaries and benefits		(15,590)		(175,234)	(4,815)	(195,639)
Increase(decrease) in noncurrent liabilities	-	24,321	-	3,466	(9,551)	18,236
Total adjustments	(10,911)	399,825	252,852	3,549,929	47,667	4,239,362
Net cash provided by (used for) operating activities	\$ 29,170	\$ (262,963)	\$ 227,527	\$ 227,704	\$ (27,785)	\$ 193,653

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 24,956	\$ 63,734	\$ 956,463
Total Assets	<u>24,956</u>	<u>63,734</u>	<u>\$ 956,463</u>
LIABILITIES			
Accrued Salaries and Wages			\$ 17,896
Payroll Deductions and Withholdings			6,749
Reserve for Flexible Spending			49,001
Intergovernmental Payable		16,651	
Due to Other Funds			73,293
Due to Student Groups	<u>-</u>	<u>-</u>	<u>809,524</u>
Total Liabilities	<u>-</u>	<u>16,651</u>	<u>\$ 956,463</u>
NET POSITION			
Held In Trust For Unemployment Claims and Other Purposes	<u>\$ 24,956</u>	<u>\$ 47,083</u>	

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

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

	<u>Private Purpose Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS		
Contributions		
Employee		\$ 134,352
Donations	\$ 2,000	
Investment Earnings		
Interest	<u>318</u>	<u>645</u>
Total Additions	<u>2,318</u>	<u>134,997</u>
DEDUCTIONS		
Unemployment Claims		128,978
Scholarship Awards	<u>2,700</u>	<u>-</u>
Total Deductions	<u>2,700</u>	<u>128,978</u>
Change in Net Position	(382)	6,019
Net Position Beginning of Year	<u>25,338</u>	<u>41,064</u>
Net Position, End of Year	<u>\$ 24,956</u>	<u>\$ 47,083</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Northern Valley Regional High School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Regional High School school district for grades 9 through 12.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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

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

B. New Accounting Standards

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

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

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

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

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

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

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

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

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

Additionally, the District reports the following fund types:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

3. *Inventories*

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

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

4. *Restricted Assets*

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts and/or their use is limited by state or county regulations for capital projects and/or Lease-Purchase Agreements for capital projects.

5. *Capital Assets*

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Continued)

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

7. Compensated Absences

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Pensions

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

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

9. Long-Term Obligations

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

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

10. Net Position/Fund Balance

District-Wide Statements

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Fund Balance Policies*

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

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

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

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$806,995. The increase was funded by the reappropriation of prior year general fund encumbrances and additional grant awards.

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

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

Balance, July 1, 2019		\$ 4,440,392
Increased by		
Interest Earnings	\$ 23,236	
Deposits Approved by Board Resolution	<u>3,000,000</u>	
Total Increases		<u>3,023,236</u>
		7,463,628
Withdrawals		
Approved in District Budget		<u>1,568,343</u>
Balance, June 30, 2020		<u>\$ 5,895,285</u>

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,780,315 of the capital reserve balance at June 30, 2020 was designated and appropriated for use in the 2020/2021 original budget certified for taxes.

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2020 is \$1,477,398. Of this amount, \$300,000 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$1,177,398 will be appropriated in the 2021/2022 original budget certified for taxes.

D. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$7,257 in the Teens and Tots Fund. The District expects to eliminate this deficit through normal operations in the 2020/2021 fiscal year.

The Regional Special Education Enterprise Fund has a cumulative deficit in net position of \$6,918,615 as of June 30, 2020. The deficit is due to the District’s accrual of the long-term liability associated with the fund’s proportionate share of the District’s total PERS net pension liability and related deferred outflow and inflow of resources as required under GASB Statement No. 68. The deficit alone does not indicate that the regional special education operations are facing financial difficulties. The net position excluding the pension related items is \$3,914,241.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$14,632,024 and bank and brokerage firm balances of the Board's deposits amounted to \$15,568,620. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 15,568,620</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2020, the Board had no outstanding investments.

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

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

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

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

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Technical Services</u>	<u>Regional Coop Prgm</u>	<u>Regional Transportation</u>	<u>Regional Special Ed</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:									
Intergovernmental-									
Federal		\$ 196,465							\$ 196,465
State	\$ 111,185	8,112	\$ 376,303		\$ 2,378		\$ 20,135	\$ 314	518,427
Other		3,869				\$ 564,555			568,424
Other	-	19,650	-	\$ 49,735	14,048	-	1,112,103	260	1,195,796
Gross Receivables	111,185	228,096	376,303	49,735	16,426	564,555	1,132,238	574	2,479,112
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-	-	-
Net Total Receivables	<u>\$ 111,185</u>	<u>\$ 228,096</u>	<u>\$ 376,303</u>	<u>\$ 49,735</u>	<u>\$ 16,426</u>	<u>\$ 564,555</u>	<u>\$ 1,132,238</u>	<u>\$ 574</u>	<u>\$ 2,479,112</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

General Fund		
Unrealized Revenue	\$	183,432
Special Revenue Fund		
Grant Draw Downs Reserved for Encumbrances		5,991
Unencumbered Grant Draw Downs		14,752
Capital Projects Fund		
Unrealized School Facilities Grants		<u>375,303</u>
 Total Unearned Revenue for Governmental Funds	 \$	 <u>579,478</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance, July 1, 2019	Increases	Transfers	Balance, June 30, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,299,500	\$ 344,127		\$ 2,643,627
Construction in Progress	192,525	-	\$ (192,525)	-
Total Capital Assets, Not Being Depreciated	<u>2,492,025</u>	<u>344,127</u>	<u>(192,525)</u>	<u>2,643,627</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	26,176,166	1,052,505		27,228,671
Land Improvements	11,075,418	6,937,664	192,525	18,205,607
Machinery and Equipment	2,928,835	268,760	-	3,197,595
Total Capital Assets Being Depreciated	<u>40,180,419</u>	<u>8,258,929</u>	<u>192,525</u>	<u>48,631,873</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(15,319,122)	(544,642)		(15,863,764)
Land Improvements	(5,668,668)	(868,143)		(6,536,811)
Machinery and Equipment	(2,322,044)	(157,963)	-	(2,480,007)
Total Accumulated Depreciation	<u>(23,309,834)</u>	<u>(1,570,748)</u>	<u>-</u>	<u>(24,880,582)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,870,585</u>	<u>6,688,181</u>	<u>192,525</u>	<u>23,751,291</u>
Governmental Activities Capital Assets, Net	<u>\$ 19,362,610</u>	<u>\$ 7,032,308</u>	<u>\$ -</u>	<u>\$ 26,394,918</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 477,581	\$ 23,156	-	\$ 500,737
Total Capital Assets Being Depreciated	<u>477,581</u>	<u>23,156</u>	<u>-</u>	<u>500,737</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(384,833)	(18,103)	-	(402,936)
Total Accumulated Depreciation	<u>(384,833)</u>	<u>(18,103)</u>	<u>-</u>	<u>(402,936)</u>
Total Capital Assets, Being Depreciated, Net	<u>92,748</u>	<u>5,053</u>	<u>-</u>	<u>97,801</u>
Business-Type Activities Capital Assets, Net	<u>\$ 92,748</u>	<u>\$ 5,053</u>	<u>\$ -</u>	<u>\$ 97,801</u>

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

Governmental Activities:	
Instruction	
Regular	\$ <u>76,362</u>
Total Instruction	<u>76,362</u>
Support Services	
Support Services-Students	34,319
School Administrative Services	3,440
Operations and Maintenance of Plant	1,450,628
Student Transportation	3,119
Business and Other Support Services	<u>2,880</u>
Total Support Services	<u>1,494,386</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,570,748</u>
Business-Type Activities:	
Regional Special Ed	\$ 11,353
Regional Coop Prgm	1,054
Food Service Fund	<u>5,696</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 18,103</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Turf Fields	\$ 808,630	\$ 89,870
Resurfacing of Long Jump and Javelin Track		62,843
Physical Education Challenge Course	62,293	<u>62,293</u>
		<u>\$ 304,876</u>

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 13,485
General Fund	Special Revenue Fund	103,488
General Fund	Agency Fund	73,293
General Fund	Regional Coop. Fund	2,378
General Fund	Teens and Tots Fund	314
General Fund	Regional Special Ed. Fund	20,135
Regional Special Ed. Fund	General Fund	8,802
Teens and Tots Fund	General Fund	5,794
Regional Coop. Fund	Regional Transportation Fund	<u>246,506</u>
Total		<u>\$ 474,195</u>

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers

	Transfer In:		
	General Fund	Capital Projects	Total
Transfer Out:			
General Fund		\$ 800,000	\$ 800,000
Regional Special Ed	\$ 800,000	-	800,000
Total Transfers Out	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 1,600,000</u>

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

F. Leases

Operating Leases

The District leases computers, iPads, copiers and modular classrooms under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2020 were \$1,322,927. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 778,659
2022	85,131
2023	85,131
2024	64,383
2025	<u>64,383</u>
Total	<u>\$ 1,077,687</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases

The District is leasing modular classrooms and turf fields totaling \$1,310,990 and a building in the amount of \$4,365,000 under capital leases. The leases are for terms of 4 to 13 years.

The unexpended proceeds from the capital lease for the turf fields in the amount of \$907,961 at June 30, 2020 is held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 737,827
2022	644,267
2023	640,517
2024	641,267
2025	452,200
2026-2030	2,258,750
2031-2032	<u>906,600</u>
Total minimum lease payments	6,281,428
Less: amount representing interest	<u>(1,366,238)</u>
Present value of minimum lease payments	<u>\$ 4,915,190</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2020 are comprised of the following issues:

\$2,290,000, 2009 School Bonds, due in annual installments of \$230,000 to \$275,000 through August 1, 2024, interest at 3.25% to 4.00%	\$1,265,000
\$11,707,000, 2016 School Bonds, due in annual installments of \$550,000 to \$1,000,000 through August 1, 2031, interest at 2.00% to 2.50%	10,682,000
\$7,400,000, 2017 Refunding School Bonds, due in annual installments of \$560,000 to \$1,545,000 through February 1, 2022, interest at 3.00% to 4.00%	<u>3,105,000</u>
Total	<u>\$15,052,000</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 2,325,000	\$ 369,038	\$ 2,694,038
2022	2,375,000	288,050	2,663,050
2023	1,255,000	211,238	1,466,238
2024	1,265,000	181,475	1,446,475
2025	1,275,000	150,675	1,425,675
2026-2030	4,900,000	426,875	5,326,875
2031-2032	<u>1,657,000</u>	<u>38,763</u>	<u>1,695,763</u>
	<u>\$ 15,052,000</u>	<u>\$ 1,666,114</u>	<u>\$ 16,718,114</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 293,919,487
Less: Net Debt	<u>15,052,485</u>
Remaining Borrowing Power	<u>\$ 278,867,002</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities (Continued)

Changes in Long-Term Liabilities

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

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 17,282,000	-	\$ 2,230,000	\$ 15,052,000	\$ 2,325,000
Add: Premium	193,169	-	91,247	101,922	-
Total Bonds Payable	17,475,169	-	2,321,247	15,153,922	2,325,000
Net Pension Liability	16,472,259		1,084,613	15,387,646	
Capital Leases Payable	170,549	\$ 5,263,500	518,859	4,915,190	519,970
Add: Premium	-	815,361	58,797	756,564	-
Total Leases Payable	170,549	6,078,861	577,656	5,671,754	519,970
Compensated Absences	950,926	122,446	-	1,073,372	-
Governmental Activity Long-Term Liabilities	<u>\$ 35,068,903</u>	<u>\$ 6,201,307</u>	<u>\$ 3,983,516</u>	<u>\$ 37,286,694</u>	<u>\$ 2,844,970</u>
Business-Type Activities:					
Net Pension Liability	\$ 10,830,787		\$ 1,628,722	\$ 9,202,065	
Compensated Absences	98,574	\$ 18,236	-	116,810	-
Governmental Activity Long-Term Liabilities	<u>\$ 10,929,361</u>	<u>\$ 18,236</u>	<u>\$ 1,628,722</u>	<u>\$ 9,318,875</u>	<u>\$ -</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 134,352	\$ 128,978	\$ 47,083
2019	103,425	130,827	41,064
2018	109,118	117,856	67,251

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2020.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 1,327,451	\$ 7,138,047	\$ 7,836
2019	1,379,299	6,433,910	14,142
2018	1,287,118	4,570,321	17,464

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$7,180, \$8,479 and \$25,149, respectively for PERS and the State contributed \$3,934, \$4,516 and \$3,688, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,569,626 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$24,589,711 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was 0.13646 percent, which was a decrease of 0.00220 percent from its proportionate share measured as of June 30, 2018 of 0.13866 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) a net pension expense of \$1,516,495 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 441,353	\$ 108,626
Changes of Assumptions	2,455,373	8,535,011
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		388,158
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,048,433</u>	<u>527,262</u>
Total	<u>\$ 3,945,159</u>	<u>\$ 9,559,057</u>
Governmental Activities	\$ 2,468,785	\$ 5,981,826
Business-Type Activities	<u>1,476,374</u>	<u>3,577,231</u>
	<u>\$ 3,945,159</u>	<u>\$ 9,559,057</u>

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (350,306)
2022	(2,058,161)
2023	(2,004,144)
2024	(1,082,922)
2025	(118,365)
Thereafter	<u>-</u>
	<u>\$ (5,613,898)</u>

Actuarial Assumptions

The District’s 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.

	<u>PERS</u>
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%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries 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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS’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%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2057

Municipal Bond Rate * From July 1, 2057
and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability			
Governmental Activities	\$ 19,437,097	\$ 15,387,646	\$ 11,975,410
Business-Type Activities	<u>11,623,703</u>	<u>9,202,065</u>	<u>7,161,492</u>
	<u>\$ 31,060,801</u>	<u>\$ 24,589,711</u>	<u>\$ 19,136,901</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,598,832 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85. The difference between this amount and the actual on behalf payment made by the State of New Jersey is \$4,460,785. Of this amount, \$3,475,790 is reported as governmental activities in the statement of activities and \$984,995 is reported as business-type activities and statement of revenues, expenses and changes in fund net position.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$196,648,125. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was 0.32042 percent, which was an increase of 0.01743 percent from its proportionate share measured as of June 30, 2018 of 0.30299 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries 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.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the 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%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District			
Governmental Activities	\$ 180,713,174	\$ 153,247,884	\$ 130,460,366
Business-Type Activities	<u>51,178,490</u>	<u>43,400,241</u>	<u>36,946,750</u>
	<u>\$ 231,891,664</u>	<u>\$ 196,648,125</u>	<u>\$ 167,407,116</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>364,943</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

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

over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$2,648,084, \$2,918,411 and \$2,951,873, respectively, which equaled the required contributions for each year. Of the amount of \$2,648,084 for the fiscal year ended June 30, 2019, \$2,063,651 has been allocated to the General Fund and the balance of \$584,433 has been allocated to the respective Enterprise Funds. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,799,427. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$96,254,384. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was 0.23066 percent, which was an increase of 0.00605 percent from its proportionate share measured as of June 30, 2018 of 0.22461 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 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	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend 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 rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

100% of active members are considered to participate in the plan upon retirement.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>103,568,477</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,768,114
Interest on the Total OPEB Liability	4,137,674
Differences Between Expected and Actual Experience	(14,787,906)
Changes of Assumptions	1,435,161
Gross Benefit Payments	(2,954,722)
Contributions from the Member	<u>87,586</u>
Net Changes	\$ <u>(7,314,093)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>96,254,384</u>

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

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019.

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

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District			
Governmental Activities	\$ 93,571,132	\$ 79,203,923	\$ 67,791,399
Business-Type Activities	<u>20,143,332</u>	<u>17,050,461</u>	<u>14,593,654</u>
	<u>\$ 113,714,465</u>	<u>\$ 96,254,384</u>	<u>\$ 82,385,053</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)			
Governmental Activities	\$ 65,260,502	\$ 79,203,923	\$ 97,662,149
Business-Type Activities	<u>14,048,820</u>	<u>17,050,461</u>	<u>21,024,017</u>
	<u>\$ 79,309,322</u>	<u>\$ 96,254,384</u>	<u>\$ 118,686,166</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

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

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

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

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

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

NOTE 6 SUBSEQUENT EVENTS

In September 2020 the District entered into a lease purchase agreement in the amount of \$300,645 at a rate of 3.54% for network switch hardware. The lease will be paid over 5 years with annual equal installments of \$64,383.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 54,206,644	-	\$ 54,206,644	\$ 54,206,644	-
Tuition from Individuals	294,378	-	294,378	372,079	\$ 77,701
Tuition from Other LEAs within the State	490,931	-	490,931	566,510	75,579
Tuition from Summer School	6,500	-	6,500	7,858	1,358
Interest Earned on Capital Reserve Funds	2,500	-	2,500	23,236	20,736
Rents and Royalties	481,075	-	481,075	416,030	(65,045)
Miscellaneous	521,247	-	521,247	650,060	128,813
Total Local Sources	56,003,275	-	56,003,275	56,242,417	239,142
State Sources (*See Note)					
Special Education Aid	1,263,555	-	1,263,555	1,263,555	-
Security Aid	42,643	-	42,643	42,643	-
Transportation Aid	307,800	-	307,800	307,800	-
Extraordinary Aid	658,669	-	658,669	623,082	(35,587)
Reimbursed Nonpublic Transportation Aid	14,578	-	14,578	12,408	(2,170)
TPAF Pension Contribution (On-Behalf)					
Normal Pension Contribution				5,464,731	5,464,731
NCGI Contribution				97,950	97,950
Long-Term Disability Contribution				3,066	3,066
Post Retirement Contribution				2,063,651	2,063,651
TPAF Social Security Contribution (On-Behalf)	-	-	-	2,002,320	2,002,320
Total State Sources	2,287,245	-	2,287,245	11,881,206	9,593,961
Federal Source					
Medicaid Reimbursement	20,428	-	20,428	15,516	(4,912)
Total Federal Sources	20,428	-	20,428	15,516	(4,912)
Total Revenues	58,310,948	-	58,310,948	68,139,139	9,828,191
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Grades 9-12	18,974,987	\$ (190,431)	18,784,556	18,623,144	161,412
Regular Programs - Home Instruction					
Salaries of Teachers	63,000	3,950	66,950	56,083	10,867
Purchased Professional-Educational Services	30,000	(3,950)	26,050	10,245	15,805
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	26,700	(1,985)	24,715	3,247	21,468
Purchased Technical Services	58,394	565,213	623,607	574,458	49,149
Other Purchased Services	1,281,678	(470,375)	811,303	719,596	91,707
General Supplies	351,007	(2,688)	348,319	280,584	67,735
Textbooks	107,875	(13,345)	94,530	82,175	12,355
Other Objects	29,500	7,475	36,975	12,959	24,016
Total Regular Programs	20,923,141	(106,136)	20,817,005	20,362,491	454,514
Special Education					
Cognitive - Mild					
Salaries of Teachers	220,399	6,598	226,997	226,997	-
Other Salaries for Instruction	74,297	-	74,297	33,806	40,491
Other Purchased Services	-	1,402	1,402	1,302	100
General Supplies	2,000	(1,097)	903	377	526
Total Cognitive - Mild	296,696	6,903	303,599	262,482	41,117
Cognitive - Moderate					
Salaries of Teachers	174,422	(70,830)	103,592	90,934	12,658
Other Salaries for Instruction	63,114	228	63,342	60,542	2,800
Purchased Professional-Educational Services		21,735	21,735	20,317	1,418
Other Purchased Services	-	777	777	777	-
General Supplies	1,000	(464)	536	189	347
Total Cognitive - Moderate	238,536	(48,554)	189,982	172,759	17,223

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Visual Impairments					
Other Salaries for Instruction	-	\$ 32,525	\$ 32,525	\$ 32,525	-
General Supplies	-	697	697	697	-
Total Visual Impairments	-	33,222	33,222	33,222	-
Behavior Disabilities					
Salaries of Teachers	\$ 235,519	67,942	303,461	269,877	\$ 33,584
Other Salaries for Instruction	108,653	(54,559)	54,094	41,634	12,460
Other Purchased Services	-	1,250	1,250	1,250	-
General Supplies	-	511	511	340	171
Other Objects	2,630	(1,576)	1,054	-	1,054
Total Behavior Disabilities	346,802	13,568	360,370	313,101	47,269
Multiple Disabilities					
Salaries of Teachers	287,640	98,656	386,296	329,765	56,531
Other Salaries for Instruction	237,292	(40,917)	196,375	191,243	5,132
Purchased Professional-Educational Services	295,297	95,472	390,769	378,233	12,536
Other Purchased Services	208,824	(14,412)	194,412	175,552	18,860
General Supplies	12,300	(6,450)	5,850	4,627	1,223
Total Multiple Disabilities	1,041,353	132,349	1,173,702	1,079,420	94,282
Resource Room/Resource Center					
Salaries of Teachers	1,815,877	20,721	1,836,598	1,825,283	11,315
Other Salaries for Instruction	18,300	(4,912)	13,388	3,375	10,013
Other Purchased Services	16,798	(16,798)	-	-	-
General Supplies	4,000	(2,859)	1,141	1,085	56
Textbooks	1,300	(1,198)	102	102	-
Total Resource Room/Resource Center	1,856,275	(5,046)	1,851,229	1,829,845	21,384
Cognitive - Severe					
Salaries of Teachers	123,682	(36,780)	86,902	82,999	3,903
Other Salaries for Instruction	6,720	(4,595)	2,125	2,125	-
Purchased Professional-Educational Services	-	33,255	33,255	14,042	19,213
Other Purchased Services	-	777	777	777	-
General Supplies	3,700	(464)	3,236	188	3,048
Total Cognitive-Severe	134,102	(7,807)	126,295	100,131	26,164
Total Special Education	3,913,764	124,635	4,038,399	3,790,960	247,439
Bilingual Education					
General Supplies	1,400	-	1,400	-	1,400
Total Bilingual Education	1,400	-	1,400	-	1,400
School Sponsored Co-Curricular Activities					
Salaries	544,270	30,821	575,091	553,239	21,852
Purchased Services	10,000	(2,254)	7,746	6,078	1,668
Supplies and Materials	72,500	(21,425)	51,075	50,679	396
Other Objects	23,900	(5,023)	18,877	14,252	4,625
Total School Sponsored Co-Curricular Activities	650,670	2,119	652,789	624,248	28,541
School Sponsored Athletics - Instruction					
Salaries	1,500,120	(90,208)	1,409,912	1,403,577	6,335
Purchased Services	7,600	9,328	16,928	12,685	4,243
Supplies & Materials	167,140	(4,686)	162,454	113,389	49,065
Other Objects	54,475	2,490	56,965	39,632	17,333
Transfers to Cover Deficit (Agency Funds)	-	144,000	144,000	81,122	62,878
Total School Sponsored Athletics - Instruction	1,729,335	60,924	1,790,259	1,650,405	139,854
Total - Instruction	27,218,310	81,542	27,299,852	26,428,104	871,748

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs within the State- Regular	\$ 24,144	\$ 1,555	\$ 25,699	\$ 25,699	-
Tuition to Other LEAs within the State-Special	967,366	(338,258)	629,108	623,630	\$ 5,478
Tuition to County Vocational School District-Reg.	1,115,020	11,118	1,126,138	1,100,462	25,676
Tuition to County Vocational School District-Special	67,362	84,074	151,436	151,436	-
Tuition to County Special Services - School Districts & Regional Day Schools	633,959	(178,318)	455,641	370,061	85,580
Tuition to Private Schools - Disabled w/i State	1,123,613	(105,175)	1,018,438	902,979	115,459
Tuition to Private Schools - Disabled & Other LEAs-Spl, O/S St	57,191	75,302	132,493	116,059	16,434
Tuition - State Facilities	-	51,792	51,792	51,792	-
Tuition - Other	7,000	-	7,000	-	7,000
Total Undistributed Expenditures - Instruction	3,995,655	(397,910)	3,597,745	3,342,118	255,627
Attendance and Social Work					
Salaries	83,774	92	83,866	83,434	432
Other Purchased Services	-	52	52	52	-
Total Attendance and Social Work	83,774	144	83,918	83,486	432
Health Services					
Salaries	332,658	2,421	335,079	335,079	-
Purchased Professional & Technical Services	60,527	(190)	60,337	36,366	23,971
Other Purchased Services	1,100	16,435	17,535	14,972	2,563
Supplies and Materials	29,700	(930)	28,770	14,249	14,521
Other Objects	6,100	(6,005)	95	95	-
Total Health Services	430,085	11,731	441,816	400,761	41,055
Speech, OT, PT & Related Services					
Purchased Professional/Educational Services	23,000	126,308	149,308	101,938	47,370
Total Speech, OT, PT & Related Services	23,000	126,308	149,308	101,938	47,370
Oth Supp Serv Std - Extra Serv					
Salaries	271,505	(37,663)	233,842	173,007	60,835
Purchased Professional/Educational Services	280,000	154,407	434,407	331,884	102,523
Total Oth Supp Serv Std - Extra Serv	551,505	116,744	668,249	504,891	163,358
Guidance					
Salaries of Other Professional Staff	1,901,432	14,632	1,916,064	1,916,064	-
Salaries of Secretarial and Clerical Assistants	451,023	4,480	455,503	455,502	1
Other Salaries	55,162	-	55,162	54,731	431
Other Purchased Services	9,600	(4,031)	5,569	4,141	1,428
Other Objects	-	1,900	1,900	1,712	188
Total Guidance	2,417,217	16,981	2,434,198	2,432,150	2,048
Child Study Teams					
Salaries of Other Professional Staff	1,174,698	(165,535)	1,009,163	989,367	19,796
Salaries of Secretarial and Clerical Assistants	167,524	441	167,965	167,965	-
Other Salaries	149,126	60,403	209,529	191,474	18,055
Purchased Prof. - Educational Services	-	286,221	286,221	263,879	22,342
Other Purchased Services	-	4,747	4,747	450	4,297
Supplies and Materials	199,751	(171,038)	28,713	12,416	16,297
Other Objects	13,000	(10,000)	3,000	620	2,380
Total Child Study Teams	1,704,099	5,239	1,709,338	1,626,171	83,167

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Improvement of Instruction Services/ Other Support Services-Instructional Staff					
Salaries of Supervisor of Instruction	\$ 1,199,950	\$ 135,124	\$ 1,335,074	\$ 1,330,073	\$ 5,001
Purchased Prof. - Educational Services	262,338	(183,558)	78,780	73,935	4,845
Other Purchased Services	80,000	(80,000)	-	-	-
Supplies and Materials	11,000	(1,568)	9,432	2,204	7,228
Other Objects	4,200	14,004	18,204	17,606	598
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	1,557,488	(115,998)	1,441,490	1,423,818	17,672
Educational Media Services/School Library					
Salaries	296,911	(44,952)	251,959	238,880	13,079
Other Salaries	-	49,611	49,611	35,169	14,442
Other Purchased Services	19,600	(19,600)	-	-	-
Supplies and Materials	91,550	3,324	94,874	89,289	5,585
Other Objects	2,470	(1,821)	649	649	-
Total Educational Media Services/School Library	410,531	(13,438)	397,093	363,987	33,106
Instructional Staff Training Services					
Salaries of Secretarial and Clerical Assist	22,807	3,551	26,358	26,358	-
Other Salaries	6,818	731	7,549	7,331	218
Purchased Professional - Educational Services	5,000	(3,450)	1,550	1,550	-
Other Purchased Services	140,179	(1,965)	138,214	51,417	86,797
Travel	600	600	600	413	187
Supplies and Materials	-	315	315	315	-
Total Instructional Staff Training Services	174,804	(218)	174,586	87,384	87,202
Support Services General Administration					
Salaries	601,275	(40,361)	560,914	549,599	11,315
Legal Services	238,000	(104,150)	133,850	120,230	13,620
Audit Fees	49,000	(4,250)	44,750	44,750	-
Other Purchased Professional Services	23,665	(11,300)	12,365	4,684	7,681
Communications/Telephone	85,000	62,298	147,298	138,093	9,205
BOE Other Purchased Services	-	3,940	3,940	3,580	360
Misc. Purchased Services	252,400	72,102	324,502	321,791	2,711
General Supplies	49,400	(25,533)	23,867	18,040	5,827
Miscellaneous Expenditures	3,000	36,558	39,558	38,553	1,005
Total Support Services General Administration	1,301,740	(10,696)	1,291,044	1,239,320	51,724
Support Services School Administration					
Salaries of Principals/Asst. Principals	950,481	108,584	1,059,065	996,908	62,157
Salaries of Other Professional Staff	541,405	(90)	541,315	541,315	-
Salaries of Secretarial and Clerical Assistants	420,219	16,218	436,437	423,987	12,450
Other Purchased Services	20,000	8,944	28,944	25,987	2,957
Supplies and Materials	43,300	(18,720)	24,580	23,018	1,562
Other Objects	1,500	3,446	4,946	4,840	106
Total Support Services School Administration	1,976,905	118,382	2,095,287	2,016,055	79,232
Central Services					
Salaries	406,192	(39,887)	366,305	366,305	-
Purchased Technical Services	15,000	29,276	44,276	44,276	-
Misc. Purchased Services	8,000	989	8,989	8,690	299
Supplies and Materials	13,500	-	13,500	13,340	160
Interest on Lease Purchase Agreements	150,075	(59,284)	90,791	90,791	-
Miscellaneous Expenditures	8,000	(3,001)	4,999	4,521	478
Total Central Services	600,767	(71,907)	528,860	527,923	937
Administration - Information Technology Services					
Salaries	-	155,271	155,271	155,271	-
Purchased Technical Services	383,033	(91,481)	291,552	290,688	864
Other Purchased Services	25,000	(21,475)	3,525	3,525	-
General Supplies	-	43,158	43,158	16,280	26,878
Total Administration Information Technology Svcs.	408,033	85,473	493,506	465,764	27,742

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

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 281,078	\$ 19,019	\$ 300,097	\$ 289,780	\$ 10,317
Cleaning, Repair and Maintenance Services	189,631	144,545	334,176	305,183	28,993
General Supplies	93,000	(1,609)	91,391	76,400	14,991
Other Objects	-	642	642	-	642
Total Required Maint. For School Facilities	563,709	162,597	726,306	671,363	54,943
Custodial Services					
Salaries	1,853,551	(93,339)	1,760,212	1,759,147	1,065
Salaries of Non Instructional Aides	160,000	(47,433)	112,567	95,287	17,280
Purchased Professional and Technical Services	229,206	(60,089)	169,117	140,218	28,899
Cleaning, Repair and Maintenance Services	430,771	(159,444)	271,327	86,925	184,402
Other Purchased Property Services	230,000	127,873	357,873	222,502	135,371
Insurance	211,800	(17,932)	193,868	193,868	-
General Supplies	259,785	(40,673)	219,112	133,685	85,427
Energy (Natural Gas)	176,900	-	176,900	169,551	7,349
Energy (Electricity)	540,900	16,298	557,198	439,315	117,883
Other Objects	2,150	125	2,275	1,635	640
Total Custodial Services	4,095,063	(274,614)	3,820,449	3,242,133	578,316
Care and Upkeep of Grounds					
Purchased Professional and Technical Services	4,500	4,450	8,950	3,133	5,817
Cleaning, Repair and Maintenance Svc.	126,510	27,938	154,448	138,595	15,853
General Supplies	41,625	(198)	41,427	29,773	11,654
Total Care and Upkeep of Grounds	172,635	32,190	204,825	171,501	33,324
Security					
Purchased Professional and Technical Services	235,000	21,938	256,938	204,652	52,286
Cleaning, Repair and Maintenance Svc.	-	10,224	10,224	7,671	2,553
General Supplies	-	736	736	736	-
Other Objects	-	20	20	20	-
Total Security	235,000	32,918	267,918	213,079	54,839
Student Transportation Services					
Salaries of Non-Instructional Aides	122,858	213	123,071	123,071	-
Contracted Serv. - Aid in Lieu Pymts - NonPub Sch	45,000	(25,657)	19,343	19,343	-
Contracted Serv. (Bet. Home and Sch)-Vendors	435,136	53,548	488,684	391,309	97,375
Contracted Serv. (Oth. Than Bet. Home and Sch)-Vendors	435,680	94,457	530,137	398,249	131,888
Contracted Serv. - Joint Agreements	-	4,180	4,180	1,967	2,213
Contracted Serv. (Sp Ed Stds)-Vendors	685,119	-	685,119	642,604	42,515
Total Student Transportation Services	1,723,793	126,741	1,850,534	1,576,543	273,991
Unallocated Benefits - Employee Benefits					
Social Security Contributions	667,485	-	667,485	646,000	21,485
Other Retirement Contribution-PERS	882,400	(24,753)	857,647	855,823	1,824
Other Retirement Contribution-Regular	19,380	-	19,380	7,836	11,544
Unemployment Compensation	25,000	-	25,000	-	25,000
Worker's Compensation	421,000	21,836	442,836	374,342	68,494
Health Benefits	6,506,056	(210,590)	6,295,466	5,641,475	653,991
Tuition Reimbursement	-	79,886	79,886	38,690	41,196
Other Employee Benefits	9,000	14,009	23,009	23,009	-
Unused Sick Payments to Terminated/Retired Staff	250,000	(265)	249,735	150,490	99,245
Total Unallocated Benefits - Employee Benefits	8,780,321	(119,877)	8,660,444	7,737,665	922,779
TPAF Pension Contribution (Non Budgeted)					
Normal Pension Contribution	-	-	-	5,464,731	(5,464,731)
NCGI Contribution	-	-	-	97,950	(97,950)
Long-Term Disability Contribution	-	-	-	3,066	(3,066)
Post Retirement Contribution	-	-	-	2,063,651	(2,063,651)
TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,002,320	(2,002,320)
	-	-	-	9,631,718	(9,631,718)
Total Undistributed Expenditures	31,206,124	(169,210)	31,036,914	37,859,768	(6,822,854)
Total Current Expenditures	58,424,434	(87,668)	58,336,766	64,287,872	(5,951,106)

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

Exhibit C-1

	Original <u>Budget</u>	Budget <u>Adjustments</u>	Final <u>Budget</u>	Actual	Variance Final to <u>Actual</u>
CAPITAL OUTLAY					
Equipment					
Instruction					
Grades 9-12	\$ 15,399	\$ 34,308	\$ 49,707	\$ 34,720	\$ 14,987
School Sponsored & Other Instructional Programs		143,349	143,349	129,697	13,652
Undistributed Expenditures					
Child Study Teams	10,000	(1,500)	8,500	8,500	-
Admin. Info. Tech.	40,000	(22,650)	17,350	-	17,350
Required Maintenance		30,696	30,696	30,696	-
Security	\$ 2,500	5,491	7,991	7,842	149
Total Equipment	<u>67,899</u>	<u>189,694</u>	<u>257,593</u>	<u>211,455</u>	<u>46,138</u>
Facilities and Acquisitions					
Architectural/Engineering Services		79,139	79,139	69,540	9,599
Land Improvements	282,843	(220,000)	62,843	62,843	-
Construction Services	1,061,500	100,884	1,162,384	1,072,352	90,032
Lease Purchase Agreements - Principal	315,000	186,479	501,479	436,841	64,638
Other Objects	224,000	(37,037)	186,963	-	186,963
Transfer of Foundation Aid		15,548	15,548	15,548	-
Assessment for Debt Service on SDA Funding	67,210	-	67,210	67,210	-
Total Facilities and Acquisitions	<u>1,950,553</u>	<u>125,013</u>	<u>2,075,566</u>	<u>1,724,334</u>	<u>351,232</u>
Interest Deposit to Capital Reserve	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Capital Outlay	<u>2,020,952</u>	<u>314,707</u>	<u>2,335,659</u>	<u>1,935,789</u>	<u>399,870</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Other Salaries for Instruction	-	9,826	9,826	9,826	-
Total Summer School - Instruction	<u>-</u>	<u>9,826</u>	<u>9,826</u>	<u>9,826</u>	<u>-</u>
Total Special Schools	<u>-</u>	<u>9,826</u>	<u>9,826</u>	<u>9,826</u>	<u>-</u>
Total Expenditures - General Fund	<u>60,445,386</u>	<u>236,865</u>	<u>60,682,251</u>	<u>66,233,487</u>	<u>(5,551,236)</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	(2,134,438)	(236,865)	(2,371,303)	1,905,652	4,276,955
Other Financing Sources (Uses)					
Transfers In - Capital Projects		-			-
Transfers In	797,500		797,500	800,000	(2,500)
Transfers to - Capital Projects from Capital Reserve	(797,500)	-	(797,500)	(800,000)	2,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Financing Sources	<u>(2,134,438)</u>	<u>(236,865)</u>	<u>(2,371,303)</u>	<u>1,905,652</u>	<u>4,276,955</u>
Fund Balances, Beginning of Year	<u>6,725,355</u>	<u>-</u>	<u>6,725,355</u>	<u>6,725,355</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,590,917</u>	<u>\$ (236,865)</u>	<u>\$ 4,354,052</u>	<u>\$ 8,631,007</u>	<u>\$ 4,276,955</u>
Recapitulation of Fund Balance					
Restricted					
Excess Surplus				\$ 1,177,398	
Excess Surplus - Designated for Subsequent Year's Expenditures				300,000	
Capital Reserve				4,114,970	
Capital Reserve - Designated for Subsequent Year's Expenditures				1,780,315	
Committed					
Year-end Encumbrances				62,293	
Assigned					
Year-end Encumbrances				47,851	
Designated for Subsequent Year's Expenditures				145	
Unassigned Fund Balance				<u>1,148,035</u>	
Less State Aid not Recognized on a GAAP Basis				<u>8,631,007</u>	<u>(756,647)</u>
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,874,360</u>	

* Note: The On-Behalf TPAF contributions per Exhibit K-4 are allocated to the General and Enterprise Funds

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

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources		\$ 132,990	\$ 132,990	\$ 119,461	\$ (13,529)
State Sources	\$ 256,130	(39,476)	216,654	198,077	(18,577)
Federal Sources	718,280	476,616	1,194,896	970,474	(224,422)
Total Revenues	974,410	570,130	1,544,540	1,288,012	(256,528)
EXPENDITURES					
Instruction					
Salaries of Teachers	326,098	(226,238)	99,860	86,930	12,930
Other Salaries for Instruction		10,692	10,692	10,692	-
Purchased Professional & Technical Svc		77,089	77,089	75,360	1,729
Purchased Professional & Educational Svc		2,500	2,500	2,000	500
Other Purchased Services	392,182	47,550	439,732	434,272	5,460
General Supplies	50,836	219,055	269,891	159,809	110,082
Textbooks	22,559	2,742	25,301	25,301	-
Other Objects	-	3,704	3,704	1,610	2,094
Total Instruction	791,675	137,094	928,769	795,974	132,795
Support Services					
Salaries of Teachers		26,522	26,522	13,274	13,248
Personal Services - Employee Benefits		6,250	6,250	4,249	2,001
Purchased Professional & Technical Svc	46,089	92,872	138,961	106,871	32,090
Purchased Professional & Educational Svc	36,577	5,351	41,928	23,400	18,528
Other Purchased Services	100,069	120,738	220,807	192,272	28,535
General Supplies		21,389	21,389	12,572	8,817
Other Objects	-	14,604	14,604	13,647	957
Total Support Services	182,735	287,726	470,461	366,285	104,176
Facilities Acquisition and Construction Services					
Instructional Equipment		107,076	107,076	87,672	19,404
Construction Services		35,081	35,081	35,081	-
Noninstructional Equipment	-	3,153	3,153	3,000	153
Total Facilities Acquisition and Construction Services	-	145,310	145,310	125,753	19,557
Total Expenditures	974,410	570,130	1,544,540	1,288,012	256,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

	<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources			
Actual revenue amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 68,139,139	\$	1,288,012
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized, net of cancellations			
June 30,2019			22,161
June 30,2020			(5,991)
State Aid payment not recognized for GAAP purposes, not recognized for budgetary statements. (2018/2019 State Aid)	793,975		
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. (2019/2020 State Aid)	<u>(756,647)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 68,176,467</u>	<u>\$</u>	<u>1,304,182</u>
Uses/Outflows of Resources			
Actual expenditure amounts (budgetary basis) (Exhibits C-1 and C-2)	\$ 66,233,487	\$	1,288,012
Differences-Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
June 30,2019		\$	22,161
June 30,2020	<u>-</u>		<u>(5,991)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 66,233,487</u>	<u>\$</u>	<u>1,304,182</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

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

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.13646	%	0.13866	%	0.13893	%	0.13114	%	0.13065	%	0.12026	%	0.12681	%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 24,589,711</u>		<u>\$ 27,303,046</u>		<u>\$ 32,342,692</u>		<u>\$ 38,838,939</u>		<u>\$ 29,329,571</u>		<u>\$ 22,517,299</u>		<u>\$ 24,236,483</u>	
District's Covered Payroll	<u>\$ 8,927,927</u>		<u>\$ 9,428,719</u>		<u>\$ 9,207,855</u>		<u>\$ 9,053,528</u>		<u>\$ 8,820,274</u>		<u>\$ 8,698,012</u>		<u>\$ 8,331,976</u>	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	275.42%		289.57%		351.25%		428.99%		332.52%		258.88%		290.89%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%		53.60%		48.10%		40.14%		47.93%		52.08%		48.72%	

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

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

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

Public Employees Retirement System

Last Seven Fiscal Years
 (Dollar amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,327,445	\$ 1,379,299	\$ 1,287,118	\$ 1,165,000	\$ 1,123,288	\$ 991,465	\$ 1,063,968
Contributions in Relation to the Contractually Required Contribution	<u>1,327,451</u>	<u>1,379,299</u>	<u>1,287,118</u>	<u>1,165,000</u>	<u>1,123,288</u>	<u>991,465</u>	<u>1,063,968</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ <u>8,753,603</u>	\$ <u>8,927,927</u>	\$ <u>9,428,719</u>	\$ <u>9,207,855</u>	\$ <u>9,053,528</u>	\$ <u>8,820,274</u>	\$ <u>8,698,012</u>
Contributions as a Percentage of Covered Payroll	15.16%	15.45%	13.65%	12.65%	12.41%	11.24%	12.23%

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

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

Teachers Pension and Annuity Fund

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 196,648,125</u>	<u>\$ 192,758,538</u>	<u>\$ 201,709,593</u>	<u>\$ 229,882,009</u>	<u>\$ 177,469,574</u>	<u>\$ 155,072,298</u>	<u>\$ 140,923,005</u>
Total	<u>\$ 196,648,125</u>	<u>\$ 192,758,538</u>	<u>\$ 201,709,593</u>	<u>\$ 229,882,009</u>	<u>\$ 177,469,574</u>	<u>\$ 155,072,298</u>	<u>\$ 140,923,005</u>
District's Covered Payroll	<u>\$ 33,579,088</u>	<u>\$ 34,006,335</u>	<u>\$ 32,968,540</u>	<u>\$ 31,124,171</u>	<u>\$ 30,464,167</u>	<u>\$ 28,604,258</u>	<u>\$ 28,131,131</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes of Benefit Terms: None.

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

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 4,768,114	\$ 5,193,810	\$ 6,325,826
Interest on Total OPEB Liability	4,137,674	4,376,352	3,736,263
Differences Between Expected and Actual Experience	(14,787,906)	(9,818,763)	-
Changes of Assumptions	1,435,161	(11,885,001)	(15,639,149)
Gross Benefit Payments	(2,954,722)	(2,769,384)	(3,313,756)
Contribution from the Member	<u>87,586</u>	<u>95,714</u>	<u>122,021</u>
Net Change in Total OPEB Liability	(7,314,093)	(14,807,272)	(8,768,795)
Total OPEB Liability - Beginning	<u>103,568,477</u>	<u>118,375,749</u>	<u>127,144,544</u>
Total OPEB Liability - Ending	<u>\$ 96,254,384</u>	<u>\$ 103,568,477</u>	<u>\$ 118,375,749</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>96,254,384</u>	<u>103,568,477</u>	<u>118,375,749</u>
Total OPEB Liability - Ending	<u>\$ 96,254,384</u>	<u>\$ 103,568,477</u>	<u>\$ 118,375,749</u>
District's Covered Payroll	<u>\$ 42,507,015</u>	<u>\$ 43,435,054</u>	<u>\$ 42,176,395</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

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

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

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

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SPECIAL REVENUE FUND

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

	<u>Local Grants</u>	<u>Nonpublic Nursing</u>	<u>Security Aid</u>	<u>Nonpublic Technology</u>	<u>Nonpublic Textbooks</u>	<u>Chapter 192 Home Instruction</u>	<u>Chapter 193 Exam. and Class</u>	<u>Suppl. Inst.</u>	<u>Exhibit E-1a Totals</u>	<u>Grand Totals</u>
REVENUES										
Intergovernmental										
State		\$ 51,895	\$ 80,205	\$ 17,276	\$ 25,301	\$ 3,194	\$ 19,882	\$ 324		\$ 198,077
Federal									\$ 970,474	970,474
Local Sources										
Miscellaneous	\$ 119,461	-	-	-	-	-	-	-	-	119,461
Total Revenues	\$ 119,461	\$ 51,895	\$ 80,205	\$ 17,276	\$ 25,301	\$ 3,194	\$ 19,882	\$ 324	\$ 970,474	\$ 1,288,012
EXPENDITURES										
Instruction										
Salaries of Teachers									\$ 86,930	\$ 86,930
Other Salaries for Instruction									10,692	10,692
Purchased Professional & Technical Svc				\$ 17,276					58,084	75,360
Purchased Professional & Educational Svc	\$ 2,000								-	2,000
Other Purchased Services									434,272	434,272
General Supplies	30,795		\$ 7,024						121,990	159,809
Textbooks	-	-	-	-	\$ 25,301	-	-	-	-	25,301
Other Objects	1,570	-	-	-	-	-	-	-	40	1,610
Total Instruction	34,365	-	7,024	17,276	25,301	-	-	-	712,008	795,974
Support Services										
Salaries of Teachers	322								12,952	13,274
Personal Services - Employee Benefits									4,249	4,249
Purchased Professional & Technical Svc	6,551	\$ 51,895							48,425	106,871
Purchased Professional & Educational Svc						\$ 3,194	\$ 19,882	\$ 324	-	23,400
Other Purchased Services	4,800		73,181						114,291	192,272
General Supplies	10,721								1,851	12,572
Other Objects	-	-	-	-	-	-	-	-	13,647	13,647
Total Support Services	22,394	51,895	73,181	-	-	3,194	19,882	324	195,415	366,285
Equipment										
Instructional Equipment	24,621	-	-	-	-	-	-	-	63,051	87,672
Construction Services	35,081									35,081
Non-Instructional Equipment	3,000	-	-	-	-	-	-	-	-	3,000
Total Facilities Acq. & Construction	62,702	-	-	-	-	-	-	-	63,051	125,753
Total Expenditures	\$ 119,461	\$ 51,895	\$ 80,205	\$ 17,276	\$ 25,301	\$ 3,194	\$ 19,882	\$ 324	\$ 970,474	\$ 1,288,012

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

	ESEA					Individuals with Disabilities Education Act Part B, Basic	CARES Grant	Advanced Computer Science Competitive	Career Pathways	Total Exhibit E-1a
	Title I	Title IIA	Title III	Title III - Immigrant	Title IV					
REVENUES										
Intergovernmental										
Federal	\$ 116,438	\$ 110,217	\$ 32,530	\$ 5,297	\$ 78,652	\$ 452,620	\$ 55,034	\$ 27,461	\$ 92,225	\$ 970,474
Total Revenues	\$ 116,438	\$ 110,217	\$ 32,530	\$ 5,297	\$ 78,652	\$ 452,620	\$ 55,034	\$ 27,461	\$ 92,225	\$ 970,474
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 42,588						\$ 44,342			\$ 86,930
Other Salaries for Instruction							10,692			10,692
Purchased Professional & Technical Svc	33,400		\$ 4,871		\$ 19,813					58,084
Other Purchased Services					3,777	\$ 430,495				434,272
General Supplies	31,344	-	24,749	5,191	30,732	-	\$ -	\$ 3,332	\$ 26,642	121,990
Textbooks										-
Other Objects	40	-	-	-	-	-	-	-	-	40
Total Instruction	107,372	-	29,620	5,191	54,322	430,495	55,034	3,332	26,642	712,008
Support Services										
Salaries of Teachers								5,488	7,464	12,952
Personal Services - Employee Benefits	3,258							420	571	4,249
Purchased Professional & Technical Svc.					9,800	22,125		15,000	1,500	48,425
Purchased Professional & Educational Svc										-
Other Purchased Professional Services										-
Other Purchased Services		104,706	2,260					3,221	4,104	114,291
General Supplies									1,851	1,851
Other Objects	5,808	5,511	650	106	1,572	-	-	-	-	13,647
Total Support Services	9,066	110,217	2,910	106	11,372	22,125	-	24,129	15,490	195,415
Equipment										
Instructional Equipment					12,958				50,093	63,051
Non-Instructional Equipment										
Total Facilities Acq. & Construction					12,958				50,093	63,051
Total Expenditures	\$ 116,438	\$ 110,217	\$ 32,530	\$ 5,297	\$ 78,652	\$ 452,620	\$ 55,034	\$ 27,461	\$ 92,225	\$ 970,474

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

THIS SCHEDULE IS NOT APPLICABLE

CAPITAL PROJECTS FUND

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issue/Project Title	Approval Date	Appropriations	Appropriation Modifications	Modified Appropriation	Expenditures to Date		Balance, June 30, 2020
					Prior Year	Current Year	
HVAC and Roof Replacement	7/24/2015	\$ 821,102		\$ 821,102	\$ 323,920		\$ 497,182
Various Improvements to Demarest and Old Tappan High Schools	3/8/2016	11,707,485	\$ 435,863	12,143,348	12,122,100	-	21,248
Acquisition of Northern Valley Central	9/26/2019	6,145,361		6,145,361		\$ 6,145,361	-
Turf Field Project	7/10/2019	895,500	9,461	907,961	-	808,630	99,331
		<u>\$ 19,569,448</u>	<u>\$ 445,324</u>	<u>\$ 20,017,772</u>	<u>\$ 12,446,020</u>	<u>\$ 6,953,991</u>	<u>\$ 617,761</u>
Project Balances, June 30, 2020							\$ 617,761
Less: Bonds Authorized but Not Issued							<u>(485)</u>
Fund Balance, June 30, 2020 (Budgetary Basis)							\$ 617,276
Less: Unearned Revenue							<u>(375,303)</u>
Fund Balance, June 30, 2020 (GAAP Basis)							<u>\$ 241,973</u>
<u>Recapitulation of Fund Balance - June 30, 2020 (GAAP Basis)</u>							
Restricted:							
Year-End Encumbrances							\$ 89,870
Available for Capital Projects							152,588
Bonds Authorized Not Issued							<u>(485)</u>
Total Fund Balance - Restricted for Capital Projects							<u>\$ 241,973</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

REVENUES AND OTHER FINANCING SOURCES

Revenues

Bond Proceeds - BCIA	\$ 4,365,000
Premium on Bonds	815,361
Foundation Contribution	165,000
Transfer from Capital Reserve	800,000
Lease Proceeds	898,500
Interest Income	<u>9,461</u>

Total Revenues	<u>7,053,322</u>
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EXPENDITURES AND OTHER FINANCING USES

Construction Services	6,761,535
Cost of Issance	<u>192,456</u>

Total Expenditures and Other Financing Uses	<u>6,953,991</u>
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Excess (Deficiency) of Revenues Over (Under) Expenditures	99,331
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Fund Balance, July 1, 2019	<u>517,945</u>
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Fund Balance, June 30, 2020 (Budgetary Basis)	617,276
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Reconciliation to GAAP

Unearned Revenue- SDA Grant	<u>375,303</u>
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Fund Balance- June 30, 2020 (GAAP Basis)	<u><u>\$ 241,973</u></u>
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**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
HVAC AND ROOF REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 484,902		\$ 484,902	\$ 484,902
Transfer from Capital Reserve	336,200	-	336,200	336,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	821,102	-	821,102	821,102
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	17,112		17,112	50,000
Construction Services	306,808	\$ -	306,808	771,102
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	323,920	-	323,920	821,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 497,182</u>	<u>\$ -</u>	<u>\$ 497,182</u>	<u>\$ -</u>
 Additional Project Information:				
Project Numbers	3710-050-14-1002-604			
Grant Date	7/24/2015			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,212,256			
Additional Authorized Cost	\$ (391,154)			
Revised Authorized Cost	\$ 821,102			
 Percentage Increase Over Original				
Authorized Cost	-32.27%			
Percentage Completion	100.00%			
Original Target Completion Date	09/01/15			
Revised Target Completion Date	06/30/19			

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
VARIOUS IMPROVEMENTS AT DEMAREST AND OLD TAPPAN HIGH SCHOOLS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Additional Project Information:

Project Numbers:	3710-060-14-2000
	3710-060-14-3000
	3710-060-14-4000
	3710-050-15-1000
	3710-050-15-2000
	3710-060-15-1000
	3710-060-16-1000
	3710-050-14-3000
Grant Date	N/A
Bond Authorization Date	03/08/16
Bonds Authorized	07/12/16
Bonds Issued	\$ 11,707,000
Original Authorized Cost	\$ 11,707,485
Additional Authorized Cost	\$ 435,863
Revised Authorized Cost	\$ 12,143,348
Percentage Increase Over Original Authorized Cost	4%
Percentage Completion	100%
Original Target Completion Date	06/30/18
Revised Target Completion Date	06/30/18

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
ACQUISITION OF NORTHERN VALLEY CENTRAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds - BCIA		\$ 4,365,000	\$ 4,365,000	\$ 4,365,000
Premium on Bonds		815,361	815,361	815,361
Foundation Contribution		165,000	165,000	165,000
Transfer from Capital Reserve	-	800,000	800,000	800,000
	<u>-</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
 Total Revenues	 <u>-</u>	 <u>6,145,361</u>	 <u>6,145,361</u>	 <u>6,145,361</u>
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	-		-	
Construction Services	-	5,952,905	5,952,905	5,952,905
Cost of Issuance	-	192,456	192,456	192,456
	<u>-</u>	<u>192,456</u>	<u>192,456</u>	<u>192,456</u>
 Total Expenditures	 <u>-</u>	 <u>6,145,361</u>	 <u>6,145,361</u>	 <u>6,145,361</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Additional Project Information:

Project Numbers:	N/A
Grant Date	N/A
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	\$ 4,365,000
Original Authorized Cost	\$ 6,145,361
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 6,145,361

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	06/30/20
Revised Target Completion Date	06/30/20

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
TURF FIELD PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds		\$ 898,500	\$ 898,500	\$ 898,500
Interest on Deposits	-	9,461	9,461	9,461
	<hr/>		<hr/>	
Total Revenues	-	907,961	907,961	907,961
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services	-		-	
Construction Services	-	808,630	808,630	907,961
General Supplies	-	-	-	-
	<hr/>		<hr/>	
Total Expenditures	-	808,630	808,630	907,961
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 99,331	\$ 99,331	\$ -
Additional Project Information:				
Project Numbers:	N/A			
Grant Date	N/A			
Bond Authorization Date				
Bonds Authorized				
Bonds Issued	\$	-		
Original Authorized Cost	\$	898,500		
Additional Authorized Cost	\$	-		
Revised Authorized Cost	\$	898,500		
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	89%			
Original Target Completion Date	06/30/21			
Revised Target Completion Date	06/30/21			

ENTERPRISE FUNDS

**NORTHERN REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

	Business Type Activities		
	Food Service	Teens and Tots	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 81,232	\$ 21,192	\$ 102,424
Intergovernmental Receivable		314	314
Other Accounts Receivable		260	260
Due from Other Funds		5,794	5,794
Inventories	30,631	-	30,631
Total Current Assets	111,863	27,560	139,423
Capital Assets			
Furniture, machinery & equipment	261,502		261,502
Less: Accumulated Depreciation	(208,902)	-	(208,902)
Total Capital Assets	52,600	-	52,600
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	-	-	-
Total Deferred Outflow of Resources	-	-	-
Total Assets and Deferred Outflow of Resources	164,463	27,560	192,023
LIABILITIES			
Current Liabilities			
Accounts Payable	8,586	12,908	21,494
Due to Other Funds		314	314
Other Payable		20,995	20,995
Unearned Revenue	-	600	600
Total Current Liabilities	8,586	34,817	43,403
Noncurrent Liabilities			
Compensated Absences		-	-
Net Pension Liability	-	-	-
Total Noncurrent Liabilities	-	-	-
DEFERRED INFLOW OF RESOURCES			
Deferred Amounts on Net Pension Liability	-	-	-
Total Deferred Inflow of Resources	-	-	-
Total Liabilities and Deferred Inflow of Resources	8,586	34,817	43,403
NET POSITION			
Net Investment in Capital Assets	52,600	-	52,600
Unrestricted	103,277	(7,257)	96,020
Total Net Position	\$ 155,877	\$ (7,257)	\$ 148,620

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business Type Activities		
	Non-Major Programs		
	Food Service	Teens and Tots	Totals
OPERATING REVENUES			
Charges for Services			
Daily sales - non-reimbursable	\$ 691,687		\$ 691,687
Special Functions	37,194		37,194
Charges and Fees	-	\$ 220,906	220,906
Total Operating Revenues	<u>728,881</u>	<u>220,906</u>	<u>949,787</u>
OPERATING EXPENSES			
Cost of Sales - non-reimbursable	303,097		303,097
Salaries/Salaries of Teachers	193,061	195,290	388,351
Unallocated Benefits	69,773	85,895	155,668
Other Purchased Services	160,693	2,234	162,927
Supplies and Materials	6,297	3,203	9,500
Depreciation	5,696	-	5,696
Total Operating Expenses	<u>738,617</u>	<u>286,622</u>	<u>1,025,239</u>
Operating Income (Loss)	<u>(9,736)</u>	<u>(65,716)</u>	<u>(75,452)</u>
NONOPERATING REVENUES			
On-Behalf (Non-Budgeted)			
TPAF Pension System			
Post Retirement Medical		10,328	10,328
Normal Cost		27,348	27,348
NCGI		490	490
Long-Term Disability		15	15
Reimbursed TPAF S.S.		10,032	10,032
GASB 68 - TPAF On Behalf Adjustment		17,397	17,397
Interest	3,036	886	3,922
Total Non-Operating Revenues	<u>3,036</u>	<u>66,496</u>	<u>69,532</u>
Net Income (Loss) Before Transfers	(6,700)	780	(5,920)
Transfers			
Transfers In	-	-	-
Change in Net Position	(6,700)	780	(5,920)
Total Net Position - Beginning of Year	<u>162,577</u>	<u>(8,037)</u>	<u>154,540</u>
Total Net Position - Ending of Year	<u>\$ 155,877</u>	<u>\$ (7,257)</u>	<u>\$ 148,620</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT G-3

	Business Type Activities		
	Food Service	Teens and Tots	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 728,881	\$ 210,841	\$ 939,722
Payments to Employees and Benefits	(262,834)	(229,941)	(492,775)
Payments to Suppliers for Goods and Services	(482,203)	7,471	(474,732)
Net Cash Provided by(Used for) operating activities	<u>(16,156)</u>	<u>(11,629)</u>	<u>(27,785)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received from State Subsidy Reimbursement			-
Interfund Transfers	-	314	314
Net cash provided by (used for) Noncapital financing activities	<u>-</u>	<u>314</u>	<u>314</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(23,156)	-	(23,156)
Net cash provided by(used for) capital and related financing activities	<u>(23,156)</u>	<u>-</u>	<u>(23,156)</u>
CASH FLOWS FROM INVESTMENTS AND RELATED FINANCING ACTIVITIES			
Interest on Deposits	3,036	886	3,922
Net cash provided by(used for) capital and related financing activities	<u>3,036</u>	<u>886</u>	<u>3,922</u>
Net increase (decrease) in cash and cash equivalents	(36,276)	(10,429)	(46,705)
Cash and Cash Equivalents - Beginning of Year	117,508	31,621	149,129
Cash and Cash Equivalents - End of Year	<u>\$ 81,232</u>	<u>\$ 21,192</u>	<u>\$ 102,424</u>
Reconciliation of Operating Income (loss) to net cash provided (used) by operating activities			
Operating Income(Loss)	\$ (9,736)	\$ (65,716)	\$ (75,452)
Adjustments to reconcile operating income(loss) to net cash provided (used) by operating activities			
Non-Cash State On Behalf TPAF Pension and OPEB Contributions		65,610	65,610
Depreciation	5,696		5,696
(Increase) Decrease in accounts receivable, net		310	310
(Increase) Decrease in inventories	(20,490)		(20,490)
Increase(decrease) in unearned revenues		(650)	(650)
Increase(decrease) in other payable		(9,725)	(9,725)
Increase(decrease) in accounts payable	8,374	12,908	21,282
Increase(decrease) in accrued salaries and benefits		(4,815)	(4,815)
Increase(decrease) in noncurrent liabilities	-	(9,551)	(9,551)
Total adjustments	<u>(6,420)</u>	<u>54,087</u>	<u>47,667</u>
Net cash provided by (used for) operating activities	<u>\$ (16,156)</u>	<u>\$ (11,629)</u>	<u>\$ (27,785)</u>

FIDUCIARY FUNDS

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 809,524	\$ 146,939	\$ 956,463
Total Assets	<u>\$ 809,524</u>	<u>\$ 146,939</u>	<u>\$ 956,463</u>
LIABILITIES			
Due to Student Groups	\$ 809,524		\$ 809,524
Due to Other Funds		\$ 73,293	73,293
Reserve for Flexible Spending		49,001	49,001
Accrued Salaries and Wages		17,896	17,896
Payroll Deductions and Withholdings	<u>-</u>	<u>6,749</u>	<u>6,749</u>
Total Liabilities	<u>\$ 809,524</u>	<u>\$ 146,939</u>	<u>\$ 956,463</u>

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2020</u>
SENIOR HIGH SCHOOLS:				
Demarest:				
General Organization Account	\$ 364,391	\$ 473,527	\$ 376,948	\$ 460,970
Athletic Account	100	80,914	81,014	-
Old Tappan:				
General Organization Account	327,135	594,908	573,489	348,554
Athletic Account	-	83,158	83,158	-
	<u>\$ 691,626</u>	<u>\$ 1,232,507</u>	<u>\$ 1,114,609</u>	<u>\$ 809,524</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2020</u>
Payroll Deductions and Withholdings	\$ 3,772	\$ 25,477,772	\$ 25,474,795	\$ 6,749
Accrued Salaries and Wages	10,648	29,526,850	29,519,602	17,896
Reserve for Flexible Spending	24,511	109,621	85,131	49,001
Due to Other Funds	58,145	15,148	-	73,293
	<u>\$ 97,076</u>	<u>\$ 55,129,391</u>	<u>\$ 55,079,528</u>	<u>\$ 146,939</u>

LONG-TERM DEBT

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

95

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
2009 School Bonds	8/4/2009	\$ 2,290,000	8/1/2020	\$ 230,000	3.25 %				
			8/1/2021	240,000	3.50				
			8/1/2022	255,000	3.50				
			8/1/2023	265,000	4.00				
			8/1/2024	275,000	4.00				
					\$ 1,485,000		\$ 220,000	\$ 1,265,000	
2016 School Bonds	7/12/2016	11,707,000	8/1/2020	550,000	2.00				
			8/1/2021	575,000	2.00				
			8/1/2022-8/1/2028	1,000,000	2.00				
			8/1/2029	900,000	2.00				
			8/1/2030	850,000	2.00				
			8/1/2031	807,000	2.50				
					11,207,000		525,000	10,682,000	
2017 Refunding School Bonds	2/2/2017	7,400,000	2/1/2021	1,545,000	4.00				
			2/1/2022	1,000,000	3.00				
			2/1/2022	560,000	4.00				
					4,590,000	-	1,485,000	3,105,000	
					<u>\$ 17,282,000</u>	<u>\$ -</u>	<u>\$ 2,230,000</u>	<u>\$ 15,052,000</u>	

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASE AGREEMENTS/LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue</u>	<u>Interest Rate</u>	Amount of <u>Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Modular Classroom Building	7.94%	\$ 412,490	\$ 170,549		\$ 82,018	\$ 88,531
Athletic Fields	2.477%	898,500		\$ 898,500	186,841	711,659
Ground Lease - Valley Program Project	4.00%-5.00%	4,365,000		4,365,000	250,000	4,115,000
			-	-	-	-
			<u>\$ 170,549</u>	<u>\$ 5,263,500</u>	<u>\$ 518,859</u>	<u>\$ 4,915,190</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original <u>Budget</u>	Budget <u>Adjustments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to <u>Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,425,745		\$ 2,425,745	\$ 2,425,745	
State Sources					
Debt Service Aid	<u>245,331</u>	\$ -	<u>245,331</u>	<u>245,331</u>	-
Total Revenues	<u>2,671,076</u>	-	<u>2,671,076</u>	<u>2,671,076</u>	-
EXPENDITURES					
Regular Debt Service					
Principal	2,230,000		2,230,000	2,230,000	
Interest	<u>446,225</u>	-	<u>446,225</u>	<u>446,225</u>	-
Total Expenditures	<u>2,676,225</u>	-	<u>2,676,225</u>	<u>2,676,225</u>	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(5,149)		(5,149)	(5,149)	-
Fund Balance, Beginning of Year	<u>5,149</u>	-	<u>5,149</u>	<u>5,149</u>	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015 (Restated)	2016	2017 (Restated)	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 21,274,677	\$ (7,702,913)	\$ (6,002,113)	\$ (5,679,679)	\$ (4,835,391)	\$ (2,655,839)	\$ (1,537,942)	\$ (212,540)	\$ 1,751,382	\$ 5,576,485
Restricted	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137	2,194,207	3,450,445	4,567,420	6,137,258
Unrestricted	159,192	110,430	(932,197)	269,738	(14,728,127)	(15,276,946)	(15,062,664)	(16,699,317)	(17,764,349)	(18,235,920)
Total Governmental Activities Net Position	\$ 23,429,133	\$ (5,289,570)	\$ (4,238,412)	\$ (3,777,689)	\$ (16,986,853)	\$ (15,633,648)	\$ (14,406,399)	\$ (13,461,412)	\$ (11,445,547)	\$ (6,522,177)
Business-Type Activities										
Net Investment in Capital Assets	\$ 63,516	\$ 94,520	\$ 106,452	\$ 107,934	\$ 88,085	\$ 95,402	\$ 92,526	\$ 106,483	\$ 92,748	\$ 97,801
Unrestricted	1,938,170	3,344,331	3,701,448	4,934,685	(3,984,203)	(4,492,879)	(6,135,564)	(7,757,032)	(6,668,538)	(6,445,370)
Total Business-Type Activities Net Position	\$ 2,001,686	\$ 3,438,851	\$ 3,807,900	\$ 5,042,619	\$ (3,896,118)	\$ (4,397,477)	\$ (6,043,038)	\$ (7,650,549)	\$ (6,575,790)	\$ (6,347,569)
District-Wide										
Net Investment in Capital Assets	\$ 21,338,193	\$ (7,608,393)	\$ (5,895,661)	\$ (5,571,745)	\$ (4,747,306)	\$ (2,560,437)	\$ (1,445,416)	\$ (106,057)	\$ 1,844,130	\$ 5,674,286
Restricted	1,995,264	2,302,913	2,695,898	1,632,252	2,576,665	2,299,137	2,194,207	3,450,445	4,567,420	6,137,258
Unrestricted	2,097,362	3,454,761	2,769,251	5,204,423	(18,712,330)	(19,769,825)	(21,198,228)	(24,456,349)	(24,432,887)	(24,681,290)
Total District Net Position	\$ 25,430,819	\$ (1,850,719)	\$ (430,512)	\$ 1,264,930	\$ (20,882,971)	\$ (20,031,125)	\$ (20,449,437)	\$ (21,111,961)	\$ (18,021,337)	\$ (12,869,746)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 24,244,866	\$ 25,153,023	\$ 26,346,867	\$ 25,455,524	\$ 26,513,942	\$ 32,470,087	\$ 36,453,238	\$ 37,509,266	\$ 35,994,518	\$ 34,075,091
Special Education	2,889,126	2,979,516	2,974,170	2,956,280	3,612,972	7,590,218	8,573,915	9,014,717	7,038,978	8,414,650
Other Instruction	2,402,119	2,098,270	2,662,527	2,706,078	2,573,423	215,251	274,467	367,800	384,015	134,919
School Sponsored Activities and Athletics						3,194,204	3,588,010	3,893,781	3,430,891	3,558,156
Support Services:										
Tuition	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032					
Student and Instruction Related Services	7,086,118	7,583,943	7,868,758	7,958,877	7,699,646	8,754,056	9,243,193	9,705,031	9,196,610	10,976,335
School Administration Services	3,443,344	3,649,567	3,805,148	3,656,647	3,500,274	4,417,188	4,898,033	4,722,623	4,817,049	3,145,409
General and Business Administrative Services	2,009,499	1,845,039	1,888,064	2,261,567	1,887,360	1,301,361	1,288,164	1,471,261	1,279,639	1,661,752
Plant Operations And Maintenance	4,772,743	4,460,706	4,643,563	5,103,097	4,954,125	5,591,664	6,124,479	6,931,247	7,391,167	6,765,554
Pupil Transportation	1,578,324	1,626,519	1,683,728	1,654,579	1,641,240	1,619,265	1,720,084	1,756,972	2,040,701	1,647,369
Business and Other Support Services	-	-	-	-	-	965,986	946,417	1,048,946	1,132,655	1,246,589
Special Schools	70,788	82,407	75,940	68,385	24,058					
SDA Debt Service Assessment	-	48,392	67,210	67,210	67,210					
Interest on Long-Term Debt	890,275	814,237	749,942	682,605	612,133	537,815	653,603	428,469	397,139	451,674
Total Governmental Activities Expenses	52,083,804	53,445,149	56,496,744	56,525,029	57,425,415	66,657,095	73,763,603	76,850,113	73,103,362	72,077,498
Business-Type Activities										
Non-Major Programs	1,238,009	1,306,605	1,637,461	1,468,489	1,540,339	1,774,493	1,885,936	1,601,127	1,327,067	1,025,239
Technical Services	2,589,519	2,394,890	2,105,617	2,666,938	1,550,888	1,116,044	960,341	929,634	927,736	355,934
Teens and Tots	286,889	282,741								
Regional Cooperative Program	860,221	904,957	958,507	956,561	1,183,505	1,434,251	1,579,032	1,621,187	1,739,102	1,695,216
Regional Transportation	1,687,902	1,654,686	1,774,394	1,739,880	1,694,080	1,828,084	2,001,992	2,054,891	2,441,722	1,861,787
Regional Special Education	12,545,985	12,677,576	13,402,912	14,188,829	15,232,292	19,955,763	24,203,108	24,119,979	20,350,154	20,990,876
Total Business-Type Activities Expense	19,208,525	19,221,455	19,878,891	21,020,697	21,201,104	26,108,635	30,630,409	30,326,818	26,785,781	25,929,052
Total District Expenses	\$ 71,292,329	\$ 72,666,604	\$ 76,375,635	\$ 77,545,726	\$ 78,626,519	\$ 92,765,730	\$ 104,394,012	\$ 107,176,931	\$ 99,889,143	\$ 98,006,550
Program Revenues										
Governmental Activities										
Charges For Services										
Regular						\$ 436,515	\$ 479,534	\$ 459,388	\$ 464,142	\$ 372,079
Special Education							57,000	155,686	238,533	566,510
Other Instruction									2,612	7,858
Interest on long-term debt	\$ 13,795	\$ 73,639	\$ 69,537	\$ 64,137	\$ 9,913					
Operating Grants and Contributions	797,670	721,118	656,418	588,837	519,927	14,760,738	20,543,568	22,383,681	18,239,000	17,042,824
Capital Grants and Contributions	5,671,276	7,022,318	8,685,113	8,169,263	7,567,533	109,599	41,640	29,250	50,502	235,090
Total Governmental Activities Program Revenues	6,482,741	7,817,075	9,411,068	8,822,237	8,097,373	15,306,852	21,121,742	23,028,005	18,994,789	18,224,361
Business-Type Activities										
Charges For Services										
Non-Major Programs	1,261,511	1,285,589	1,605,810	1,506,624	1,477,105	1,675,582	1,705,663	1,522,582	1,252,368	949,787
Technical Services	2,115,441	3,156,038	2,069,949	2,610,416	1,318,642	716,682	934,104	891,546	1,062,438	396,015
Teens and Tots	295,237	279,858	-	-	-	-	-	-	-	-
Regional Cooperative Program	966,349	1,027,687	1,006,340	1,094,086	1,334,198	1,264,099	1,357,097	1,243,284	1,034,182	1,032,428
Regional Transportation	1,697,411	1,645,055	1,751,827	1,751,827	1,968,757	1,580,097	1,960,733	2,051,960	2,437,176	1,836,462
Regional Special Education	12,523,806	13,255,069	13,803,688	15,286,985	15,419,458	17,097,926	18,015,364	17,187,273	17,207,858	17,668,651
Operating Grants And Contributions	-	-	-	-	-	3,210,006	4,867,159	5,748,006	4,768,312	5,068,911
Total Business Type Activities Program Revenues	18,859,755	20,649,296	20,237,614	22,249,938	21,518,160	25,544,392	28,840,120	28,644,651	27,762,334	26,952,254
Total District Program Revenues	\$ 25,342,496	\$ 28,466,371	\$ 29,648,682	\$ 31,072,175	\$ 29,615,533	\$ 40,851,244	\$ 49,961,862	\$ 51,672,656	\$ 46,757,123	\$ 45,176,615
Net (Expense)/Revenue										
Governmental Activities	\$ (45,601,063)	\$ (45,628,074)	\$ (47,085,676)	\$ (47,702,792)	\$ (49,328,042)	\$ (51,350,243)	\$ (52,641,861)	\$ (53,822,108)	\$ (54,108,573)	\$ (53,853,137)
Business-Type Activities	(348,770)	1,427,841	358,723	1,229,241	317,056	(564,243)	(1,790,289)	(1,682,167)	976,553	1,023,202
Total District-Wide Net Expenses	\$ (45,949,833)	\$ (44,200,233)	\$ (46,726,953)	\$ (46,473,551)	\$ (49,010,986)	\$ (51,914,486)	\$ (54,432,150)	\$ (55,504,275)	\$ (53,132,020)	\$ (52,829,935)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied For General Purposes, Net	\$ 44,885,134	\$ 45,603,296	\$ 46,515,362	\$ 47,399,154	\$ 48,526,678	\$ 49,835,108	\$ 50,727,156	\$ 51,731,554	\$ 52,910,341	\$ 54,206,644
Taxes Levied For Debt Service	841,570	1,082,867	1,147,183	1,214,763	1,569,746	2,091,842	2,100,486	2,226,494	2,396,656	2,425,745
Federal and State Aid - Unrestricted	31,416	72,500	151,402	38,883	81,489	44,968	23,541	32,806	1,091	-
Tuition (other than special schools)	276,429	307,422	204,028	315,572	336,071	-	-	-	-	-
Investment earnings	35,101	19,488	24,853	12,573	12,684	-	-	-	-	-
Miscellaneous Income	171,968	213,458	94,008	143,252	187,837	688,436	534,874	504,924	593,014	1,098,787
Adjustment to Capital Assets	-	(30,412,316)	-	(937,461)	-	-	-	-	-	-
N.J. Economic Development Authority grants	-	-	-	(23,221)	484,902	-	-	-	-	-
Refunding bond proceeds	364	4,956	-	-	-	-	-	-	-	-
State Aid Restricted for Debt Service	-	-	-	-	-	92,242	92,135	204,739	239,673	245,331
Transfers	-	-	-	-	-	(49,148)	(27,452)	66,578	(16,337)	800,000
Total Governmental Activities	46,241,982	16,891,671	48,136,836	48,163,515	51,199,407	52,703,448	53,450,740	54,767,095	56,124,438	58,776,507
Business-Type Activities										
Investment earnings	8,296	9,325	10,326	5,477	6,239	13,736	13,828	27,598	70,635	5,019
Refund on prior year revenue	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	49,148	27,452	(66,578)	16,337	(800,000)
Change in Net Pension Liability	-	-	-	-	-	-	-	113,636	11,234	-
Total Business-Type Activities	8,296	9,325	10,326	5,477	6,239	62,884	41,280	74,656	98,206	(794,981)
Total District-Wide	\$ 46,250,278	\$ 16,900,996	\$ 48,147,162	\$ 48,168,992	\$ 51,205,646	\$ 52,766,332	\$ 53,492,020	\$ 54,841,751	\$ 56,222,644	\$ 57,981,526
Change in Net Position										
Governmental Activities	\$ 640,919	\$ (28,736,403)	\$ 1,051,160	\$ 460,723	\$ 1,871,365	\$ 1,353,205	\$ 808,879	\$ 944,987	\$ 2,015,865	\$ 4,923,370
Business-Type Activities	(340,474)	1,437,166	369,049	1,234,718	323,295	(501,359)	(1,749,009)	(1,607,511)	1,074,759	228,221
Total District	\$ 300,445	\$ (27,299,237)	\$ 1,420,209	\$ 1,695,441	\$ 2,194,660	\$ 851,846	\$ (940,130)	\$ (662,524)	\$ 3,090,624	\$ 5,151,591

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 1,202,640	\$ 1,751,542	\$ 1,904,293	\$ 1,549,498	\$ 1,656,070	\$ 2,784,289	\$ 2,822,534	\$ 4,074,593	\$ 4,740,392	\$ 7,372,683
Committed						54,537	94,060	125,013	62,293	
Assigned	975,231	1,235,849	1,609,490	895,598	842,072	1,052,956	1,101,784	88,288	677,947	47,996
Unassigned	946,075	949,913	912,470	996,136	970,618	461,077	364,690	427,170	388,028	391,388
Total general fund	<u>3,123,946</u>	<u>3,937,304</u>	<u>4,426,253</u>	<u>3,441,232</u>	<u>3,468,760</u>	<u>4,298,322</u>	<u>4,343,545</u>	<u>4,684,111</u>	<u>5,931,380</u>	<u>7,874,360</u>
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund	239,302	29,108	11,469	(3,716)	544,886	(485,672)	1,854,173	192,564	142,642	241,973
Debt service fund			418	869	971	520	26,102	31,251	5,149	
Assigned, reported in:										
Capital projects fund	480,176	151,649	8,036		272,500					
Total all other governmental funds	<u>719,478</u>	<u>180,757</u>	<u>19,923</u>	<u>(2,847)</u>	<u>818,357</u>	<u>(485,152)</u>	<u>1,880,275</u>	<u>223,815</u>	<u>147,791</u>	<u>241,973</u>
Total Fund Balances	<u>\$ 3,843,424</u>	<u>\$ 4,118,061</u>	<u>\$ 4,446,176</u>	<u>\$ 3,438,385</u>	<u>\$ 4,287,117</u>	<u>\$ 3,813,170</u>	<u>\$ 6,223,820</u>	<u>\$ 4,907,926</u>	<u>\$ 6,079,171</u>	<u>\$ 8,116,333</u>

Source: District records

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 46,524,374	\$ 47,407,281	\$ 48,318,962	\$ 49,202,754	\$ 50,616,351	\$ 51,926,950	\$ 52,827,642	\$ 53,958,048	\$ 55,306,997	\$ 56,632,389
Tuition Charges	290,224	381,060	273,565	379,708	345,984					
Interest Earnings	35,101	19,488	24,853	12,573	12,684					
Miscellaneous	222,834	233,786	175,503	209,914	267,794	1,169,933	1,160,817	1,197,361	1,370,715	2,168,550
State Sources	4,735,544	6,182,621	7,898,059	7,408,709	6,809,259	7,367,594	8,830,390	10,380,557	12,024,517	12,375,448
Federal Sources	916,283	891,869	856,961	732,776	759,805	820,747	892,991	890,525	928,610	984,799
Total Revenues	52,724,360	55,116,105	57,547,903	57,946,434	58,811,877	61,285,224	63,711,840	66,426,491	69,630,839	72,161,186
Expenditures										
Instruction										
Regular Instruction	18,239,872	18,479,017	18,247,034	19,240,020	19,926,862	27,563,772	29,024,367	30,274,458	32,157,939	31,432,628
Special Education Instruction	2,281,195	2,281,264	2,187,182	2,241,351	2,794,832	6,999,967	7,528,240	7,914,188	6,780,956	7,971,295
Other Instruction						214,899	274,143	366,709	383,047	133,559
School Sponsored Activities and Athletics	1,831,959	1,834,887	1,971,572	2,052,440	1,980,532	2,713,609	2,851,148	3,144,961	3,083,755	3,289,334
Support Services										
Tuition	2,696,602	3,103,510	3,730,827	3,954,180	4,339,032					
Student and Inst. Related Services	5,546,891	5,861,341	5,933,221	6,252,773	6,096,964	7,841,390	7,929,546	8,226,288	8,214,741	10,151,191
School Administration Services	2,548,102	2,674,623	2,695,827	2,550,169	2,642,592	3,825,645	4,002,277	3,849,880	4,245,254	2,883,823
General Administration Services	1,655,897	1,498,256	1,514,279	1,833,043	1,587,750	1,272,702	1,122,811	1,366,951	1,178,650	1,586,057
Business and Other Support Services						914,227	878,093	924,383	1,023,959	1,172,045
Plant Operations And Maintenance	3,687,409	3,658,417	3,714,825	4,325,075	4,176,152	4,833,781	5,251,786	5,163,571	5,641,330	5,018,258
Pupil Transportation	1,538,055	1,579,595	1,631,308	1,597,668	1,587,075	1,602,455	1,697,256	1,723,740	2,010,397	1,627,222
Other Support Services										
Unallocated Employee Benefits	10,380,274	10,684,269	12,158,179	12,056,282	10,925,005					
Transfer of Funds to Charter Schools	53,528	61,740	55,520	50,953	18,339					
Capital Outlay	1,113,104	959,117	1,202,645	600,762	190,616	1,258,138	10,544,861	2,332,190	965,238	8,603,056
Debt Service										
Principal	1,085,000	1,330,000	1,400,000	1,465,000	1,540,000	1,615,000	1,795,560	1,810,396	2,220,985	2,748,859
Interest and Other Charges	920,109	840,388	777,369	711,288	642,297	569,535	607,912	711,248	537,006	550,558
Total Expenditures	53,577,997	54,846,424	57,219,788	58,931,004	58,448,048	61,225,120	73,508,000	67,808,963	68,443,257	77,167,885
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(853,637)	269,681	328,115	(984,570)	363,829	60,104	(9,796,160)	(1,382,472)	1,187,582	(5,006,699)
Other Financing Sources (Uses)										
Proceeds from Borrowing	2,290,000						11,707,000			
Capital Leases (Non-Budgeted)							412,490			5,263,500
Premium on Leases										815,361
Foundation Contribution										165,000
Proceeds from Refunding							7,862,649			
Payments to Escrow Agent							(7,747,877)			
N.J. Economic Development Authority Grants				(23,221)	484,902					
Transfers in	155,158	275,362	280,662	279,371	336,720		500,345	102,374	10,353	1,600,000
Transfers Out	(154,546)	(274,998)	(280,662)	(279,371)	(336,720)	(49,148)	(527,797)	(35,796)	(26,690)	(800,000)
Total Other Financing Sources (Uses)	2,290,612	364	-	(23,221)	484,902	(49,148)	12,206,810	66,578	(16,337)	7,043,861
Net Change in Fund Balances	\$ 1,436,975	\$ 270,045	\$ 328,115	\$ (1,007,791)	\$ 848,731	\$ 10,956	\$ 2,410,650	\$ (1,315,894)	\$ 1,171,245	\$ 2,037,162
Debt Service as a Percentage of Noncapital Expenditures	3.82%	4.03%	3.89%	3.73%	3.75%	3.64%	3.82%	3.85%	4.09%	4.81%

* Noncapital expenditures are total expenditures less capital outlay.

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Summer School</u>	<u>Tuition</u>	<u>Interest</u>	<u>Gate Receipts</u>	<u>Rentals</u>	<u>Athletics and Activities Fees</u>	<u>Laptop Maintenance and Rentals</u>	<u>Sale of Assets</u>	<u>Insurance Refund</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 13,795	\$ 276,429	\$ 33,368	\$ 11,324	\$ 10,906	\$ 113,696				\$ 36,042	\$ 495,560
2012	87,504	291,956	19,099	15,695		115,502		\$ 17,000		65,262	612,018
2013	70,975	202,591	24,436	14,033	204	60,838				18,932	392,009
2014	64,137	315,572	12,122	14,223	5,075	38,458				85,496	535,083
2015	9,913	336,071	12,163	17,680	11,105	90,275				4	477,211
2016	5,225	431,290	27,351	18,955	24,381	158,609	\$ 175,051	\$ 233,982		50,107	1,124,951
2017	6,650	529,884	26,575	25,890	15,828	138,238	267,986			32,005	1,043,056
2018	6,413	608,661	55,529	23,629	28,392	59,303	71,898	169,053		70,732	1,093,610
2019	2,612	702,675	165,758	21,972	11,642	92,839	163,487			126,963	1,287,948
2020	7,858	938,569	141,525	-	416,030	104,335	158,868			268,588	2,035,773

Source: School District's Records

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

Closter Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2011	\$ 23,262,400	\$ 1,791,836,000	\$ 5,503,300	\$ 223,086,500	\$ 15,045,700	\$ 959,600	\$ 2,059,693,500	\$ 5,669,360	\$ 2,065,362,860	\$ 2,161,138,793	\$ 0.514
2012	24,006,400	1,784,300,900	5,503,300	220,571,000	15,045,700	959,600	2,050,386,900	5,642,577	2,056,029,477	2,094,167,079	0.522
2013	20,163,200	1,796,514,400	5,503,300	218,075,800	15,045,700	959,600	2,056,262,000	100,000	2,056,362,000	2,035,360,558	0.520
2014	21,831,400	1,799,979,800	4,572,100	219,295,200	19,545,700	959,600	2,066,183,800	100,000	2,066,283,800	2,030,585,074	0.520
2015	20,358,100	1,805,323,200	4,572,100	216,624,800	18,964,000	959,600	2,066,801,800	100,000	2,066,901,800	2,099,516,054	0.539
2016	19,884,100	1,816,990,700	4,642,700	216,412,100	18,964,000	959,600	2,077,853,200	100,000	2,077,953,200	2,129,915,670	0.553
2017	19,611,500	1,825,939,100	4,638,400	215,541,300	19,914,000	959,600	2,086,603,900	100,000	2,086,703,900	2,140,987,596	0.565
2018	18,196,800	1,884,747,100	5,062,100	237,104,000	21,569,100	100,000	2,166,679,100	100,000	2,166,779,100	2,168,261,971	0.544
2019	18,903,200	1,923,578,700	5,457,800	256,031,300	22,812,900	100,000	2,226,783,900	100,000	2,226,883,900	2,226,975,293	0.528
2020	18,627,800	1,956,453,700	5,572,500	265,247,800	23,968,500	100,000	2,269,870,300	100,000	2,269,970,300	2,293,283,498	0.525

104

Demarest Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2011	\$ 19,407,900	\$ 1,175,319,700		\$ 36,920,200		\$ 1,350,000	\$ 1,232,997,800	\$ 589,741	\$ 1,233,587,541	\$ 1,411,968,299	\$ 0.572
2012	18,514,400	1,183,373,100		36,920,200		1,350,000	1,240,157,700	632,812	1,240,790,512	1,396,024,774	0.555
2013	15,219,900	1,199,148,900		36,920,200		1,350,000	1,252,639,000	91,530	1,252,730,530	1,387,669,514	0.550
2014	14,578,200	1,213,910,800		36,920,200		1,350,000	1,266,759,200	88,910	1,266,848,110	1,425,536,144	0.551
2015	12,778,100	1,225,059,400		36,920,200		1,350,000	1,276,107,700	85,020	1,276,192,720	1,501,723,835	0.567
2016	12,763,100	1,240,829,500		36,920,200		1,350,000	1,291,862,800	85,020	1,291,947,820	1,516,882,756	0.575
2017	10,281,800	1,272,223,900		36,920,200		1,350,000	1,320,775,900	83,130	1,320,859,030	1,589,584,628	0.572
2018	10,281,800	1,284,770,200		36,920,200		1,350,000	1,333,322,200	83,130	1,333,405,330	1,602,178,919	0.602
2019	10,281,800	1,295,887,500		36,920,200		1,350,000	1,344,439,500	83,130	1,344,522,630	1,622,129,602	0.648
2020	10,281,800	1,306,164,300		36,920,200		1,350,000	1,354,716,300	81,710	1,354,798,010	1,658,936,268	0.682

^a Tax rates are per \$100

Source: County Abstract of Ratables

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

Harrington Park Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2011	\$ 15,178,500	\$ 1,025,271,300		\$ 38,817,600			\$ 1,079,267,400	\$ 877,805	\$ 1,080,145,205	\$ 1,036,552,493	\$ 0.449
2012	14,736,500	1,015,222,100		32,442,300			1,062,400,900	820,664	1,063,221,564	983,913,449	0.458
2013	12,498,400	856,365,100		28,418,700			897,282,200		897,282,200	918,267,901	0.546
2014	12,498,400	855,446,400		28,221,900			896,166,700		896,166,700	940,449,312	0.576
2015	12,498,400	854,583,200		28,151,900			895,233,500		895,233,500	957,430,915	0.587
2016	12,498,400	856,178,500		27,192,100			895,869,000		895,869,000	977,108,511	0.591
2017	12,498,400	856,483,100		27,192,100			896,173,600		896,173,600	995,996,199	0.610
2018	12,498,400	856,504,400		27,192,100			896,194,900		896,194,900	993,808,185	0.610
2019	12,470,900	860,351,100		26,732,100			899,554,100		899,554,100	997,967,848	0.618
2020	12,470,900	859,526,400		30,473,600			902,470,900		902,470,900	1,020,306,460	0.631

105

Haworth Borough

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2011	\$ 14,497,100	\$ 683,091,200		\$ 98,935,300			\$ 796,523,600	\$ 534,748	\$ 797,058,348	\$ 1,047,745,035	\$ 0.573
2012	14,802,000	683,084,200		97,551,200			795,437,400	507,416	795,944,816	1,036,587,284	0.617
2013	15,354,600	681,765,000		97,638,300			794,757,900	577,488	795,335,388	988,226,052	0.664
2014	15,027,000	683,331,400		94,794,900			793,153,300	571,705	793,725,005	927,314,313	0.691
2015	13,886,600	684,502,500		92,027,800			790,416,900	572,378	790,989,278	947,007,450	0.715
2016	12,288,800	688,316,600		91,150,400			791,755,800	581,033	792,336,833	938,535,971	0.721
2017	12,100,500	691,773,000		91,150,400			795,023,900	613,996	795,637,896	918,832,229	0.693
2018	12,041,100	699,524,400		91,125,400			802,690,900	584,214	803,275,114	937,029,912	0.674
2019	11,304,000	703,395,900		91,125,400			805,825,300	589,249	806,414,549	935,150,231	0.682
2020	10,346,000	709,836,000		84,689,800			804,871,800	589,673	805,461,473	935,052,600	0.699

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Northvale Borough

Table with 12 columns: Fiscal Year Ended June 30, Vacant Land, Residential, Farm, Commercial, Industrial, Apartment, Total Assessed Value, Public Utilities, Net Valuation Taxable, Estimated Actual (County Equalized) Value, Total Direct School Tax Rate. Rows for years 2011-2020.

106

Norwood Borough

Table with 12 columns: Fiscal Year Ended June 30, Vacant Land, Residential, Farm, Commercial, Industrial, Apartment, Total Assessed Value, Public Utilities, Net Valuation Taxable, Estimated Actual (County Equalized) Value, Total Direct School Tax Rate. Rows for years 2011-2020.

a Tax rates are per \$100

Source: County Abstract of Ratables

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

Fiscal Year Ended June 30,	Old Tappan Borough							Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment						
2011	\$ 48,784,000	\$ 1,595,217,300	\$ 361,400	\$ 85,162,000		\$ 698,100	\$ 1,730,222,800	\$ 1,468,244	\$ 1,731,691,044	\$ 1,793,532,441	\$ 0.467	
2012	47,906,700	1,597,442,700	373,800	81,586,500		698,100	1,728,007,800	1,361,524	1,729,369,324	1,776,965,605	0.501	
2013	47,525,500	1,600,828,900	373,800	81,308,800		698,100	1,730,735,100	1,299,066	1,732,034,166	1,783,242,734	0.528	
2014	43,661,000	1,594,422,600	373,800	80,435,200		698,100	1,719,590,700	1,156,788	1,720,747,488	1,708,954,754	0.557	
2015	43,312,500	1,599,653,900	373,800	80,399,200		698,100	1,724,437,500	1,190,284	1,725,627,784	1,733,909,301	0.570	
2016	40,450,900	1,606,134,700	373,800	80,545,500		2,817,100	1,730,322,000	1,149,128	1,731,471,128	1,721,634,054	0.570	
2017	39,118,600	1,609,983,000	373,800	80,256,200		2,817,100	1,732,548,700	1,117,527	1,733,666,227	1,765,955,122	0.589	
2018	37,566,000	1,619,099,500	373,800	80,256,200		2,817,100	1,740,112,600	1,117,699	1,741,230,299	1,769,692,974	0.617	
2019	37,375,800	1,612,161,900	373,800	80,256,200		2,817,100	1,732,984,800	1,128,230	1,734,113,030	1,748,800,451	0.627	
2020	35,410,500	1,605,531,900	373,800	80,256,200		9,176,500	1,730,748,900	1,141,337	1,731,890,237	1,747,913,050	0.629	

a Tax rates are per \$100

Source: County Abstract of Ratables

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

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Closter Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.514	\$ 0.503	\$ 0.811	\$ 0.218	\$ 2.046
2012	0.522	0.517	0.821	0.224	2.084
2013	0.520	0.521	0.834	0.227	2.102
2014	0.520	0.535	0.844	0.230	2.129
2015	0.539	0.547	0.860	0.244	2.190
2016	0.553	0.559	0.875	0.252	2.239
2017	0.565	0.569	0.890	0.258	2.282
2018	0.544	0.556	0.881	0.245	2.226
2019	0.528	0.555	0.889	0.245	2.217
2020	0.525	0.561	0.904	0.251	2.241

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Demarest Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.572	\$ 0.478	\$ 0.978	\$ 0.238	\$ 2.266
2012	0.555	0.511	0.989	0.240	2.295
2013	0.550	0.543	1.000	0.255	2.348
2014	0.551	0.551	0.995	0.263	2.360
2015	0.567	0.562	1.000	0.283	2.412
2016	0.575	0.565	1.016	0.289	2.445
2017	0.572	0.566	1.044	0.302	2.484
2018	0.602	0.562	1.087	0.294	2.545
2019	0.648	0.573	1.110	0.295	2.626
2020	0.682	0.593	1.125	0.304	2.704

Source: Municipal Tax Collector

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

LAST TEN YEARS

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Harrington Park Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.449	\$ 0.437	\$ 0.937	\$ 0.198	\$ 2.021
2012	0.458	0.453	0.969	0.201	2.081
2013	0.546	0.544	1.172	0.233	2.495
2014	0.576	0.554	1.218	0.245	2.593
2015	0.587	0.555	1.255	0.257	2.654
2016	0.591	0.568	1.295	0.268	2.722
2017	0.610	0.582	1.330	0.280	2.802
2018	0.610	0.595	1.355	0.272	2.832
2019	0.618	0.608	1.389	0.270	2.885
2020	0.631	0.624	1.412	0.280	2.947

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Haworth Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.573	\$ 0.692	\$ 1.013	\$ 0.274	\$ 2.552
2012	0.617	0.703	1.032	0.288	2.640
2013	0.664	0.697	1.052	0.286	2.699
2014	0.691	0.714	1.074	0.273	2.752
2015	0.715	0.729	1.063	0.288	2.795
2016	0.721	0.756	1.149	0.284	2.910
2017	0.693	0.772	1.128	0.290	2.883
2018	0.674	0.771	1.136	0.286	2.867
2019	0.682	0.782	1.164	0.283	2.911
2020	0.699	0.795	1.137	0.288	2.919

Source: Municipal Tax Collector

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

LAST TEN YEARS

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Northvale Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.582	\$ 0.665	\$ 0.968	\$ 0.229	\$ 2.444
2012	0.594	0.662	0.982	0.251	2.489
2013	0.600	0.663	1.001	0.251	2.515
2014	0.634	0.663	1.023	0.253	2.573
2015	0.639	0.696	1.041	0.257	2.633
2016	0.636	0.709	1.059	0.272	2.676
2017	0.657	0.722	1.083	0.274	2.736
2018	0.687	0.765	1.108	0.280	2.840
2019	0.702	0.811	1.129	0.283	2.925
2020	0.706	0.865	1.173	0.288	3.032

Source: Municipal Tax Collector

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Norwood Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.585	\$ 0.615	\$ 0.709	\$ 0.224	\$ 2.133
2012	0.568	0.639	0.766	0.245	2.218
2013	0.572	0.650	0.779	0.248	2.249
2014	0.556	0.662	0.794	0.243	2.255
2015	0.567	0.671	0.790	0.253	2.281
2016	0.604	0.682	0.820	0.268	2.374
2017	0.611	0.690	0.855	0.274	2.430
2018	0.617	0.708	0.854	0.263	2.442
2019	0.621	0.707	0.854	0.262	2.444
2020	0.641	0.721	0.891	0.264	2.517

Source: Municipal Tax Collector

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

LAST TEN YEARS

(Unaudited)

(rate per \$100 of assessed value)

Fiscal Year Ended December 31,	Total Direct School Tax Rate	Old Tappan Borough Overlapping Rates			Total Direct and Overlapping Tax Rate
		Municipality	Local School	County	
2011	\$ 0.467	\$ 0.267	\$ 0.732	\$ 0.216	\$ 1.682
2012	0.501	0.277	0.747	0.226	1.751
2013	0.528	0.284	0.765	0.237	1.814
2014	0.557	0.292	0.790	0.232	1.871
2015	0.570	0.305	0.805	0.242	1.922
2016	0.570	0.316	0.822	0.245	1.953
2017	0.589	0.325	0.835	0.256	2.005
2018	0.617	0.332	0.823	0.249	2.021
2019	0.627	0.340	0.850	0.246	2.063
2020	0.629	0.340	0.873	0.250	2.092

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Closter Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Closter Marketplace (EBA) LLC	\$ 58,322,900	2.57%	\$ 31,500,000	1.53%
Irani-Aspi-Closter Plaza Met.			8,645,300	0.42%
Closter Grocery	10,260,000	0.45%		
Capital Young Property LLC	8,531,600	0.38%		
Closter Golf	7,534,300	0.33%	6,999,700	0.34%
Heidenberg Closter Assoc.	9,000,000	0.40%	7,368,000	0.36%
Suez C/O Altus Group	5,891,200	0.26%		
Fred Reuten, Inc.	5,015,900	0.22%	4,492,400	0.22%
DWL Monmouth c/o Daniel Cho	4,996,200	0.22%	4,553,500	0.22%
50 Railroad LLC	4,636,900	0.20%		
Reuten Associates	4,550,900	0.20%	4,581,700	0.22%
United Water New Jersey			5,891,200	0.29%
Verizon			5,669,360	0.27%
BR NJ LLC			4,167,400	0.20%
Total	\$ 118,739,900	5.23%	\$ 83,868,560	4.07%

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Demarest Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Alpine Country Club	\$ 32,323,800	2.39%		
Lavie Management Company, LLC	4,232,600	0.31%		
Individual Taxpayer #1	3,850,000	0.28%		
Individual Taxpayer #2	3,700,000	0.27%		
Individual Taxpayer #3	3,598,200	0.27%		
Individual Taxpayer #4	3,330,600	0.25%		
Individual Taxpayer #5	3,250,000	0.24%		
Individual Taxpayer #6	3,178,800	0.23%		
Individual Taxpayer #7	3,177,000	0.23%		
Individual Taxpayer #9	3,107,800	0.23%		
Total	\$ 63,748,800	4.71%		

INFORMATION NOT AVAILABLE

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Harrington Park Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
The Allegro at Harrington Park, LLC	\$ 14,000,000	1.55%		
Suez United Water c/o Altus Group	10,256,000	1.14%		
Rockland Electric Co.	1,561,300	0.17%		
Red Pin Properties LLC	1,440,000	0.16%		
Individual Taxpayer #1	1,389,800	0.15%		
Individual Taxpayer #2	1,379,900	0.15%		
Individual Taxpayer #3	1,203,000	0.13%		
Individual Taxpayer #4	1,159,900	0.13%		
CIT Bank NA	1,155,200	0.13%		
Individual Taxpayer #5	1,152,700	0.13%		
			INFORMATION NOT AVAILABLE	
Total	<u>\$ 34,697,800</u>	<u>3.84%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Haworth Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Suez C/O Altus Group US, Inc	\$ 51,789,000	6.43%		
Haworth Country Club	10,501,900	1.30%		
White Beeches Golf Club	7,806,700	0.97%		
Haworth Country Club LLC	7,498,100	0.93%		
Individual Taxpayer #1	2,207,500	0.27%		
White Beeches Realty Corp.	1,693,300	0.21%		
Individual Taxpayer #2	1,638,500	0.20%		
Individual Taxpayer #3	1,564,600	0.19%		
Individual Taxpayer #4	1,553,800	0.19%		
Individual Taxpayer #5	1,534,600	0.19%		
			INFORMATION NOT AVAILABLE	
Total	<u>\$ 87,788,000</u>	<u>10.90%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Northvale Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Maxim Enterprises, LLC	\$ 22,229,500	2.57%	\$ 27,500,000	3.23%
Vale 251 LLC	11,800,000	1.37%		
Northvale Shopping Center Assoc.	9,504,700	1.10%	9,995,600	1.17%
GEA Mechanical Equipment	7,268,700	0.84%		
S & R Costa Realty LP	6,000,000	0.69%		
Northvale Holding Co. LLC	6,094,000	0.71%	6,531,800	0.77%
Trasco Realty LLC	5,492,300	0.64%		
Klaus Rexroth Incorporated	5,466,900	0.63%		
Northvale Technical Center	5,289,200	0.61%		
140 Northvale Partners LLC/Ginutti Carlo	5,189,900	0.60%		
Salvatore & Roselle Costa and SC Construction			13,135,000	1.54%
MEM Company			12,711,200	1.49%
RIO Vista Homes @ Northvale LLC			11,936,100	1.40%
Northvale 1197 & 2005 Assoc			10,959,200	1.29%
Northvale Tire Tech			7,405,600	0.87%
Centrico			7,268,700	0.85%
Matthew Realty LLC			6,442,300	0.76%
Total	\$ 84,335,200	9.77%	\$ 113,885,500	13.37%

Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Norwood Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
CSH Norwood LLC	\$ 22,385,100	1.86%		
Buckingham at Norwood Real Estate	20,700,000	1.72%		
Norwood Associates II, LLC	16,500,000	1.37%		
335 Chestnut Street LLC	9,198,200	0.76%		
Life Storage LP	6,310,900	0.52%		
355 Chestnut Assoc. C/O Sanzai, A.	5,024,000	0.42%		
Winpak Control Group LLC	4,199,900	0.35%		
Norwest LLC	3,700,000	0.31%		
Norwood Self Storage C/O Yelland Prop.	3,650,900	0.30%		
Ghula, Robert M.	3,602,200	0.30%		
Total	\$ 95,271,200	6.05%	INFORMATION NOT AVAILABLE	0.00%

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Old Tappan Borough			
	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
United Water NJ	\$ 26,460,000	1.53%	\$ 26,460,000	1.53%
Prentice Hall		0.00%	22,885,000	1.32%
200 OTR LLC; HRP Construction	19,000,000	1.10%		
SZR Old Tappan Assisted Living	10,860,800	0.63%	10,860,800	0.63%
A&R, A LTD Ptr.	9,869,000	0.57%	10,242,600	0.59%
A&R, A LTD Ptr.	7,227,800	0.42%	7,727,800	0.45%
Individual Taxpayer #1	4,771,600	0.28%	5,515,600	0.32%
Individual Taxpayer #2	4,264,500	0.25%	3,636,700	0.21%
JP Morgan Chase Bank Nat'l Assoc.	3,400,000	0.20%		
Individual Taxpayer #3	2,960,000	0.17%	3,230,700	0.19%
MCH-OT Realty LLC	2,809,800	0.16%		
Individual Taxpayer #4			2,889,900	0.17%
Individual Taxpayer #5			2,264,300	0.13%
Total	<u>\$ 91,623,500</u>	<u>5.29%</u>	<u>\$ 95,713,400</u>	<u>5.54%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 46,524,374	\$ 46,524,374	100.00%	
2012	47,407,281	47,407,281	100.00%	
2013	48,318,962	48,318,962	100.00%	
2014	49,202,754	49,202,754	100.00%	
2015	50,616,351	50,616,351	100.00%	
2016	51,926,950	51,926,950	100.00%	
2017	52,827,642	52,827,642	100.00%	
2018	53,958,048	53,958,048	100.00%	
2019	55,306,997	55,306,997	100.00%	
2020	56,632,389	56,632,389	100.00%	

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2011	\$ 18,825,000	\$ 673,158	\$ 19,498,158	37,794	\$ 516
2012	17,495,000	478,685	17,973,685	37,955	474
2013	16,095,000	199,050	16,294,050	38,131	427
2014	14,630,000		14,630,000	38,167	383
2015	13,090,000		13,090,000	38,297	342
2016	11,475,000		11,475,000	38,316	299
2017	21,167,000	316,930	21,483,930	38,412	559
2018	19,427,000	246,534	19,673,534	38,259	514
2019	17,282,000	170,549	17,452,549	38,142	458
2020	15,052,000	4,915,190	19,967,190	38,142 A	523

A - Estimate

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$ 18,825,000		\$ 18,825,000	0.21%	\$ 498
2012	17,495,000		17,495,000	0.20%	461
2013	16,095,000		16,095,000	0.18%	422
2014	14,630,000		14,630,000	0.17%	383
2015	13,090,000		13,090,000	0.15%	342
2016	11,475,000	\$ 520	11,474,480	0.13%	299
2017	21,167,000	26,102	21,140,898	0.24%	550
2018	19,427,000	31,251	19,395,749	0.22%	507
2019	17,282,000	5,149	17,276,851	0.19%	453
2020	15,052,000		15,052,000	0.16%	395

Source: District records

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Local School Purposes	\$ 9,589,000	\$ 9,589,000	
Regional School Purposes	16,537,487	16,537,487	
Municipal/County General Obligations	<u>62,056,821</u>	<u>1,539,817</u>	<u>\$ 60,517,004</u>
	<u>\$ 88,183,308</u>	<u>\$ 27,666,304</u>	60,517,004
Bergen County			
County of Bergen (A)			76,984,524
Bergen County Utilities Authority (B)			<u>7,196,174</u>
			<u>84,180,698</u>
Total Direct and Overlapping Debt			<u>\$ 144,697,702</u>

Source:

(1) Seven (7) Municipalities 2019 Annual Debt Statement

(A) The debt for this entity was apportioned to the seven (7) municipalities by dividing the municipalities 2019 equalized value by the total 2019 equalized value for Bergen County relating to the seven (7) municipalities.

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 305,740,435	\$ 295,936,990	\$ 286,919,769	\$ 279,854,050	\$ 278,038,974	\$ 280,932,046	\$ 283,847,535	\$ 286,910,594	\$ 290,107,166	\$ 293,919,487
Total Net Debt Applicable to Limit	<u>18,825,000</u>	<u>17,495,000</u>	<u>16,095,000</u>	<u>14,630,000</u>	<u>13,090,000</u>	<u>23,182,485</u>	<u>21,167,485</u>	<u>19,427,485</u>	<u>17,282,485</u>	<u>15,052,485</u>
Legal Debt Margin	<u>\$ 286,915,435</u>	<u>\$ 278,441,990</u>	<u>\$ 270,824,769</u>	<u>\$ 265,224,050</u>	<u>\$ 264,948,974</u>	<u>\$ 257,749,561</u>	<u>\$ 262,680,050</u>	<u>\$ 267,483,109</u>	<u>\$ 272,824,681</u>	<u>\$ 278,867,002</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.16%	5.91%	5.61%	5.23%	4.71%	8.25%	7.46%	6.77%	5.96%	5.12%

Legal Debt Margin Calculation for Fiscal Year 2020

Equalized Valuation Basis		
	2019	\$ 9,955,176,035
	2018	9,775,584,181
	2017	9,661,188,504
		<u>\$ 29,391,948,720</u>
	3 Year Average	<u>\$ 9,797,316,240</u>
3% of Avg. Equalized Valuation		\$ 293,919,487
Less Net Debt		<u>15,052,485</u>
Remaining Borrowing Power		<u>\$ 278,867,002</u>

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

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

Closter Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2011	5.4%	\$ 69,053	8,477
2012	4.5%	72,152	8,547
2013	4.5%	71,679	8,582
2014	4.5%	74,452	8,591
2015	3.7%	77,666	8,592
2016	3.2%	79,145	8,602
2017	3.0%	81,483	8,618
2018	2.9%	85,951	8,547
2019	2.5%	N/A	8,511
2020	N/A	N/A	8,511 (A)

Source: (1) NJ Department of Labor, Bureau of Labor Force Statistics

(2) County Per Capital Personal Income

(A) Estimate

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

Demarest Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2011	5.4%	\$ 69,053	4,971
2012	8.6%	72,152	4,976
2013	5.8%	71,679	4,998
2014	4.1%	74,452	4,990
2015	3.4%	77,666	4,999
2016	2.9%	79,145	4,955
2017	2.6%	81,483	4,961
2018	2.3%	85,951	4,924
2019	2.2%	N/A	4,894
2020	N/A	N/A	4,894 (A)

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

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

Harrington Park Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2011	8.7%	\$ 69,053	4,710
2012	5.8%	72,152	4,723
2013	8.3%	71,679	4,738
2014	4.8%	74,452	4,748
2015	3.7%	77,666	4,764
2016	3.4%	79,145	4,751
2017	3.2%	81,483	4,766
2018	2.9%	85,951	4,744
2019	2.3%	N/A	4,730
2020	N/A	N/A	4,730 (A)

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

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

Haworth Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2011	7.0%	\$ 69,053	3,404
2012	8.0%	72,152	3,401
2013	11.3%	71,679	3,416
2014	4.0%	74,452	3,415
2015	3.3%	77,666	3,417
2016	3.1%	79,145	3,414
2017	2.7%	81,483	3,430
2018	2.4%	85,951	3,414
2019	2.3%	N/A	3,393
2020	N/A	N/A	3,393 (A)

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

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

Northvale Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2011	4.7%	\$ 69,053	4,667
2012	5.4%	72,152	4,683
2013	7.1%	71,679	4,730
2014	4.3%	74,452	4,731
2015	4.2%	77,666	4,779
2016	3.6%	79,145	4,866
2017	3.2%	81,483	4,893
2018	2.8%	85,951	4,902
2019	2.6%	N/A	4,927
2020	N/A	N/A	4,927 (A)

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

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

Norwood Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2012	9.0%	\$ 72,152	5,784
2013	7.2%	71,679	5,792
2014	5.2%	74,452	5,798
2015	4.0%	77,666	5,815
2016	3.4%	79,145	5,803
2017	3.6%	81,483	5,811
2018	3.0%	85,951	5,806
2019	2.6%	N/A	5,793
2020	N/A	N/A	5,793 (A)

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

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

Old Tappan Borough

<u>Year Ended December 31,</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Income(2)</u>	<u>Population</u>
2011	7.2%	\$ 69,053	5,811
2012	6.7%	72,152	5,833
2013	6.8%	71,679	5,875
2014	4.1%	74,452	5,894
2015	3.6%	77,666	5,931
2016	3.1%	79,145	5,925
2017	3.0%	81,483	5,933
2018	2.8%	85,951	5,922
2019	2.1%	N/A	5,894
2020	N/A	N/A	5,894 (A)

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

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

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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	186	186	185	185	185	190.0	190.0	190.0	180.0	187.0
Special Education	26	27	26	26	26	31.0	28.0	28.0	26.0	27.0
Support Services:										
Student & Instruction-Related Services	22	22	22	22	22	22.0	22.0	22.0	23.0	26.0
School Administration Services	12	12	12	12	12	12.0	9.0	7.0	8.0	8.0
General Administration Services	5	5	5	5	5	5.4	4.0	4.0	5.0	5.0
Central Services/Administrative	21	21	21	21	21		22.0	22.0	25.0	22.0
Plant Operations and Maintenance	29	29	29	29	29	29.0	31.0	31.0	31.0	30.0
Pupil Transportation	2	2	2	2	2	2.0	2.0	2.0	2.0	2.0
Child Care	1	1	1	1	1		2.0	2.0	2.0	2.0
Regional Special Education	64	64	64	64	64		63.0	63.0	67.0	65.0
Regional Transportation	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>21.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
Total	<u>370</u>	<u>371</u>	<u>369</u>	<u>369</u>	<u>369</u>	<u>312.4</u>	<u>375.0</u>	<u>373.0</u>	<u>371.0</u>	<u>376.0</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
2011	2,535	\$ 50,459,784	\$ 19,905	3.17%	220	1:11.4		2,559	2,462	0.24%	96.21%
2012	2,684	51,716,920	19,269	-3.20%	221	1:12.1		2,483	2,391	-2.97%	96.29%
2013	2,529	53,839,775	21,289	10.49%	264	9.6		2,481	2,393	-0.08%	96.45%
2014	2,586	56,153,954	21,715	2.00%	282	9.2		2,575	2,493	3.79%	96.82%
2015	2,291	56,075,135	24,476	12.72%	282	8.1		2,334	2,242	-9.36%	96.06%
2016	2,504	57,782,447	23,076	-5.72%	221	10.4		2,285	2,204	-2.10%	96.43%
2017	2,462	60,559,667	24,598	6.59%	218	11.3		2,448	2,347	7.13%	95.87%
2018	2,467	62,955,129	25,519	3.74%	218	11.3		2,255	2,170	-7.88%	96.23%
2019	2,390	64,720,028	27,080	6.12%	206	10.5		2,171	2,088	-3.73%	96.18%
2020	2,326	65,265,412	28,059	3.62%	214	10.9		2,121	2,064	-2.30%	97.31%

Sources: District records

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
District Building										
<u>Northern Valley Regional High School District</u>										
Demarest High School (1950) (2004)										
Square Feet	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000	164,000
Capacity (students)	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234
Enrollment	1,158	1,137	1,136	1,070	1,032	1,046	1,018	1,018	1,018	959
<u>Northern Valley Regional High School District</u>										
Old Tappan High School (1950) (2004)										
Square Feet	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800	177,800
Capacity (students)	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349	1,349
Enrollment	1,377	1,346	1,317	1,293	1,259	1,251	1,233	1,244	1,244	1,166
Central Administration (1981)										
Square Feet	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Number of Schools at June 30, 2020										
Elementary = 0										
Middle School = 0										
Senior High School = 2										

Source: District Facilities Office

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

NORTHRN VALLEY REGIONAL HIGH SCHOOL
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 (Unaudited)

51338

	<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>
<u>School Facilities</u>										
Demarest High School	\$ 189,521	\$ 189,426	\$ 217,935	\$ 240,326	\$ 256,987	\$ 236,628	\$ 239,918	\$ 214,056	\$ 202,481	\$ 341,194
Old Tappan High School	201,350	171,216	201,104	211,866	273,611	244,544	240,646	160,365	209,488	324,610
John J. Haworth Administration Building	<u>15,755</u>	<u>34,009</u>	<u>10,000</u>	<u>5,767</u>	<u>3,749</u>	<u>6,015</u>	<u>6,016</u>	<u>7,012</u>	<u>4,314</u>	<u>5,559</u>
Grand Total	<u>\$ 406,626</u>	<u>\$ 394,651</u>	<u>\$ 429,039</u>	<u>\$ 457,959</u>	<u>\$ 534,347</u>	<u>\$ 487,187</u>	<u>\$ 486,580</u>	<u>\$ 381,433</u>	<u>\$ 416,283</u>	<u>\$ 671,363</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group:		
Multi Peril Package Policy		
Commercial General Liability	\$ 11,000,000	
Employee Dishonesty	1,000,000	\$ 1,000
Business Automobile Liability	11,000,000	1,000
Computer Fraud	1,000,000	1,000
School Leaders Errors & Omissions Liability	11,000,000	15,000
Workers Compensation	2,000,000	
NJ Schools Ins. Group		
Property- Blanket Building and Contents (Insured Value) - Includes Energy Systems	120,460,500	5,000
Firemen's Fund Insurance Company		
Excess Umbrella Liability	50,000,000	
Surety Bonds:		
Board Secretary's Bond	400,000	
Lloyds Syndicates		
Environment Pollution Liability Policy	1,000,000	10,000
Ace American Insurance Company		
International Liability Policy	1,000,000	

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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CHRISTOPHER M. VINCI, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Northern Valley Regional High School District's basic financial statements and have issued our report thereon dated February 2, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

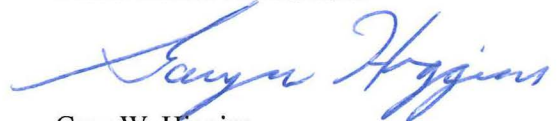
As part of obtaining reasonable assurance about whether the Northern Valley Regional High School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with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

Purpose of this Report

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



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 2, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Northern Valley Regional High School District’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Northern Valley Regional High School District’s major federal and state programs for the fiscal year ended June 30, 2020. The Northern Valley Regional High School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

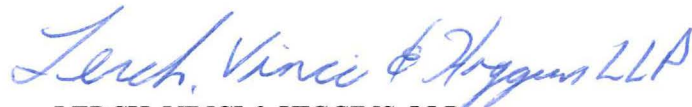
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

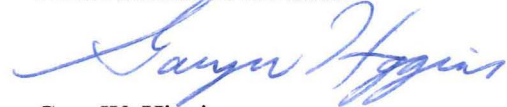
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northern Valley Regional High School District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 2, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
February 2, 2021

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or Project Number	Grant Period	Award Amount	July 1, 2019			Unearned Rev. Carryover Amount	A/R Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments (1)	Adjust Receivable	Adjust Unearned Rev.	Refund of Prior Years' Balances	June 30, 2020			Memo GAAP Receivable					
						Accounts Receivable	Unearned Revenue	Due to Grantor									Accounts Receivable	Unearned Revenue	Due to Grantor						
U.S. Department of Education Passed-through State Department of Education																									
Special Revenue Fund																									
ESEA Title III	84.365	S365A190030	ESEA-3710-20	7/1/19-9/30/20	\$ 36,687			\$ 2	\$ (2)	\$ 30,789	\$ 32,530					\$ (5,900)	\$ 4,159		\$ (1,741)						
ESEA Title III	84.365	S365A180030	ESEA-3710-19	7/1/18-6/30/19	37,619	\$ (15,471)	\$ 2		(2)	2	15,469								-						
ESEA Title III Immigrant	84.365	S365A190030	ESEA-3710-20	7/1/19-9/30/20	5,297						4,926	5,297				(371)	-		(371)						
ESEA Title III Immigrant	84.365	S365A180030	ESEA-3710-19	7/1/18-6/30/19	8,327	(1,973)					1,973	-				-			-						
Total English Language Acquisition Cluster (Title III)												<u>37,827</u>													
Career Pathways Grant	84.235	N/A	21E00002	3/1/20-6/30/21	98,777											(98,777)	94,094		(4,683)						
Career Pathways Grant	84.235	N/A	20E00007	3/1/19-2/28/20	99,798	(99,798)	97,847				89,493	<u>87,542</u>				(10,305)	10,305		-						
Total Career Pathways Grant												<u>92,225</u>													
Advanced Computer Science Competitive Grant																									
Advanced Computer Science Competitive Grant	84.368	N/A	19E00140	1/15/19-6/30/20	46,896	(46,896)	46,896				27,153	<u>27,461</u>				(19,743)	19,435		(308)						
ESEA Title I	84.010	S010A190030	ESEA-3710-20	7/1/19-9/30/20	133,066				4,252	(4,252)	65,523	116,438				(71,795)	20,880		(50,915)						
ESEA Title I	84.010	S010A180030	ESEA-3710-19	7/1/18-6/30/19	142,093	(127,994)	3,694		(4,252)	4,252	124,300					-			-						
ESEA Title II-A	84.367A	S367A190029	ESEA-3710-20	7/1/19-9/30/20	110,217						103,408	110,217				(6,809)	-		(6,809)						
ESEA Title IV	84.424	S424A190031	ESEA-3710-20	7/1/19-9/30/20	80,000						66,239	78,652				(13,761)	1,348		(12,413)						
ESEA Title IV	84.424	S424A180031	ESEA-3710-19	7/1/18-6/30/19	80,000	(52,447)					52,447					-			-						
I.D.E.A. Part B, Basic	84.027	H027A190100	IDEA-3710-20	7/1/19-9/30/20	455,499				18,207	(18,207)	388,429	452,620				(85,277)	21,086		(64,191)						
I.D.E.A. Part B, Basic	84.027	H027A180100	IDEA-3710-19	7/1/18-6/30/19	461,391	(24,107)	18,207		(18,207)	18,207	5,900					-			-						
I.D.E.A. Part B, Basic	84.027		IDEA-3710-13	9/1/12-8/31/13	490,874		\$ 2,884									\$ 2,884									
Total U.S. Department of Education												<u>(368,686)</u>	<u>166,646</u>	<u>2,884</u>			<u>976,049</u>	<u>915,440</u>		<u>2,884</u>	<u>(312,738)</u>	<u>171,307</u>		<u>(141,431)</u>	
CARES Act																									
CARES Act	84.425D	5425D20027	N/A	3/13/20-9/30/22	106,987							<u>55,034</u>					<u>(106,987)</u>	<u>51,953</u>		<u>(55,034)</u>					
Total Federal Financial Awards												<u>\$ (368,686)</u>	<u>\$ 166,646</u>	<u>\$ 2,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 976,049</u>	<u>\$ 970,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,884</u>	<u>\$ (419,725)</u>	<u>\$ 223,260</u>	<u>\$ -</u>	<u>\$ (196,465)</u>

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

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			Memo	
				(Accounts Receivable) (Restated)	Unearned Revenue (Restated)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
<i>General Fund, Regional Cooperative, Regional Special Ed & Teens and Tots Funds</i>														
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 1,108,571	\$ (76,083)		\$ 76,083								
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,263,555			1,158,991	\$ 1,263,555	\$ (104,564)				\$ 1,263,555		
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	42,643	(2,926)		2,926								
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	42,643			39,114	42,643	(3,529)				42,643		
Total State Aid Public Cluster							1,306,198					1,306,198		
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	307,800	(21,125)		21,125								
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	307,800			282,328	307,800	(25,472)				307,800		
Additional Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	36,177	(36,177)		36,177								
Additional Nonpublic Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	12,408				12,408	(12,408)				\$ (12,408)	12,408	
Total Transportation Aid							320,208						320,208	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	693,841	(693,841)		693,841								
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	623,082				623,082	(623,082)					623,082	
Reimbursed TPAF Pension Contribution														
Normal	20-495-034-5094-002	7/1/19-6/30/20	7,012,358			7,012,358	7,012,358					7,012,358		
NCGI	20-495-034-5094-004	7/1/19-6/30/20	125,689			125,689	125,689					125,689		
Long-Term Disability	20-495-034-5094-004	7/1/19-6/30/20	3,934			3,934	3,934					3,934		
Post Retirement	20-495-034-5094-001	7/1/19-6/30/20	2,648,084			2,648,084	2,648,084					2,648,084		
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	2,398,677	(118,248)		118,248								
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	2,569,626			2,448,022	2,569,626		(121,604)			(121,604)	2,569,626	
Total General Fund, Regional Cooperative, Regional Special Ed & Teens and Tots Funds			(948,400)			14,666,920	14,609,179		(890,659)			(134,012)	14,609,179	
<i>Special Revenue Fund</i>														
New Jersey Nonpublic Aid:														
Auxiliary Services:														
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	5,922					\$ 5,922						
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	811			730			(81)		\$ 811	(81)		
Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	3,551	(3,551)		3,551								
Home Instruction	20-100-034-5120-067	7/1/19-6/30/20	3,194				3,194		(3,194)			(3,194)	3,194	
Total Nonpublic Auxiliary Aid (Chapter 192) Cluster							3,194						3,194	
Handicapped Services:														
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	17,846				365		365					
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	21,555			16,718	19,882	(4,837)		1,673		(4,837)	19,882	
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	21,093				5,550							
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	20,237			20,237	324				19,913		324	
Total Nonpublic Handicapped Aid (Chapter 193) Cluster							20,206						20,206	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	26,540			47			47					
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	25,301			25,301							25,301	
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	51,895			51,895	51,895						51,895	
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	17,280			17,280	17,276				4		17,276	
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	17,892				4,281		4,281					
Security Aid	19-100-034-5120-509	7/1/19-6/30/19	83,850			8,841			8,841					
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	80,250				80,250				45		80,205	
Total Special Revenue Fund			(3,551)		25,006	215,962	198,077	25,006	(8,112)		22,446	(8,112)	198,077	

NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title <i>Capital Projects Fund</i>	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2020			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
NJ School Development Authority HVAC and Roof Replacement	SP3710-050-14-G1FH		\$ 484,902	\$ (376,303)	\$ 375,303	-	-	-	-	\$ (376,303)	\$ 375,303	-	\$ (376,303)	-
Total Capital Projects Fund				(376,303)	375,303	-	-	-	-	(376,303)	375,303	-	(376,303)	-
Debt Service Fund Debt Service Aid	20-495-034-5120-075	7/1/19-6/30/20	245,331	-	-	-	\$ 245,331	\$ 245,331	-	-	-	-	-	\$ 245,331
State Financial Assistance Subject to Single Audit Determination				\$ (1,328,254)	\$ 375,303	\$ 25,006	15,128,213	15,052,587	\$ 25,006	\$ (1,275,074)	\$ 375,303	\$ 22,446	\$ (518,427)	\$ 15,052,387
Less On-Behalf TPAF Pension and Annuity Aid Not Subject to Single Audit Determination														
Normal Pension Costs							7,012,358	7,012,358						
NonContributory Insurance							125,689	125,689						
Long-Term Disability							3,934	3,934						
Post Retirement							2,648,084	2,648,084						
							9,790,065	9,790,065						
Total for State Financial Assistance Subject to Major Program Determination							\$ 5,338,148	\$ 5,262,522						

141

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$37,328 for the general fund and an increase of \$16,170 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 15,516	\$ 11,918,534	\$ 11,934,050
Special Revenue Fund	969,283	211,583	1,180,866
Debt Service Fund		245,331	245,331
Regional Coop. Prgm. Fund		403,880	403,880
Regional Special Ed. Fund		3,995,929	3,995,929
Teens and Tots Fund	-	65,610	65,610
	<hr/>	<hr/>	<hr/>
Total Awards Financial Assistance	<u>\$ 984,799</u>	<u>\$ 16,840,867</u>	<u>\$ 17,825,666</u>

**NORTHERN VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,569,626 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$7,138,047, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,648,084 and TPAF Long-Term Disability Insurance in the amount of \$3,934 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified: yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

1) Material weakness(es) identified: yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

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

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>FAIN #</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A190100</u>	<u>IDEA Part B</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2020-001:

Our audit of the District's capital assets maintained by a third party provider noted the following:

- The prior year construction in progress balance was not added to the capital assets report.
- The turf fields project was added to the capital assets report twice.
- There were certain capital asset additions that were charged to the incorrect budget account codes in the General Fund.
- There were certain expenditures that were charged to capital outlay budget account codes in the Special Revenue Fund that were not capital assets.

Criteria or specific requirement:

Generally Accepted Accounting Principles.

Condition:

The District's capital assets report provided for audit did not accurately reflect the capital assets for the fiscal year ended June 30, 2020.

Context:

- The prior year construction in progress balance of \$192,525 was not added to the capital assets report.
- Capital asset additions in the amount of \$899,000 for the turf fields project were added twice to the capital assets report.
- Capital asset additions in the amount of \$175,207 were charged to the incorrect budget account codes in the General Fund.
- Expenditures in the amount of \$55,663 were charged to Capital Outlay budget account codes in the Special Revenue Fund that were not capital assets.

Effect:

The District capital asset records did not agree with actual values of District owned assets. Audit adjustments have been made to reflect the proper capital assets values.

Cause:

The capital assets report and budget charges relating to capital assets were not reviewed for validity.

Recommendation:

The procedures pertaining to the classification and reporting of capital assets be reviewed and enhanced.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

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

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

STATUS OF PRIOR YEAR FINDINGS

Not Applicable.