

**SCHOOL DISTRICT  
OF  
PASCACK VALLEY REGIONAL**

**Pascack Valley Regional High School District  
Montvale, New Jersey**

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

**Comprehensive Annual  
Financial Report**

**of the**

**Pascack Valley Regional High School District**

**Montvale, New Jersey**

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

**Prepared by**

**Pascack Valley Regional High School District  
Board of Education**

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**INTRODUCTORY SECTION  
(UNAUDITED)**

**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**28 West Grand Avenue**  
**Montvale, New Jersey 07645-2028**

**Mr. P. Erik Gundersen**  
**Superintendent of Schools**

**Mr. Yas Usami**  
**Business Administrator/Board Secretary**

December 16, 2020

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

Dear Board Members:

It is with pleasure that we submit the Comprehensive Annual Financial Report (CAFR) of the Pascack Valley Regional High School District for the fiscal year ended June 30, 2020. This CAFR includes the District's basic financial statements prepared in accordance with pronouncements of the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all materials respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis and the Basic Financial Statements and Notes, providing an overview of the School District's financial position and operating results and supplementary schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the independent auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

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HILLSDALE

MONTVALE

RIVERVALE

WOODCLIFF LAKE

*Schools and Communities – Partners in Education*



## 1) REPORTING ENTITY AND ITS SERVICES

The Pascack Valley Regional High School District is an independent reporting entity within the criteria adopted by the GASB in codification section 2100. All funds of the District are included in this report. The Pascack Valley Regional Board of Education and all its schools constitute the District's reporting entity. The District is comprised of two high schools. Pascack Hills High School, which is located in Montvale, receives students from the towns of Montvale and Woodcliff Lake. Pascack Valley High School, located in Hillsdale, is the receiving school for students who reside in the towns of Hillsdale and River Vale.

The District continues to provide excellent educational opportunities for its students. Pascack Hills and Pascack Valley High Schools are outstanding secondary institutions, offering students rigorous, stimulating, and diverse academic programs, delivered by an experienced and dedicated faculty. Our students perform at an extraordinarily high level, while maintaining substantial involvement in interscholastic sports, clubs and activities and community service. Both schools have been consistently recognized as among the best high schools in New Jersey.

The Pascack Valley Regional High School District provides a full range of educational services appropriate for grade levels 9 through 12. These include regular, as well as, special education for handicapped youngsters. As of June 30, 2020 Pascack Hills High School reported a student enrollment of 822 and Pascack Valley High School had 1,156 students on roll. The District completed the 2019-2020 fiscal year with a total enrollment of 1,978 students, which represents a decrease of 3% of the previous year's enrollment.

The administrative team for the Pascack Valley Regional High School District consists of a District Superintendent, a Director of Curriculum Instruction and Assessment, a School Business Administrator/Board Secretary, a Facilities Manager and seven District wide curriculum supervisors. Pascack Hills High School administration is comprised of a principal, assistant principal, and athletic director/assistant principal. A larger student population, Pascack Valley High School is led by a principal, two assistant principals, and an athletic director.

School districts in New Jersey are legally classified as Type I or Type II. Pascack Valley Regional High School District, a Type II district, is one of 68 regional school districts in the state with a nine member, elected board of education. Board members are elected at the annual school election for terms of three years. Meetings of the Pascack Valley Regional Board of Education are held on the first and third Monday of each month. During its meetings, the Board determines District goals and priorities and conducts the business of the Board of Education. Board meetings are open to the public and begin at 7:30 P.M.

To maintain effective communications, the District produces community newsletters. The *Report* and *Pascack Regional Schools* are sent to all parents of children in the District. The *Report* is sent, as needed, to update the public on construction projects and other happenings in the District. Information about the budget is mailed in a special newsletter to all members of the community during the budget review process. Another monthly publication, *Bulletin*, summarizes the regular board meeting actions and is sent to all staff and is posted on the District's website.

### PASCACK HILLS HIGH SCHOOL

Pascack Hills High School is an outstanding institution, offering students a rigorous, stimulating, and diverse academic program delivered by an experienced and dedicated faculty. Our students perform at an extraordinarily high level while maintaining substantial involvement in interscholastic sports, clubs and activities, and community service. Pascack Hills High School has been consistently recognized as one of the best high schools in New Jersey.

Both high schools in the Pascack Valley Regional High School District were the first in New Jersey to provide wireless laptops to all students and teachers to be used in classrooms and at home. Now in the sixteenth year of implementation, the impact of this initiative on teaching and learning has been substantial, communication between school and home and among teachers is vastly enhanced, and students report that their organizational and study skills are greatly improved. We use an array of electronic resources and social media as we continue to explore the vast possibilities of the global network.

The program of studies at Pascack Hills High School offers a challenging Honors and Advanced Placement Program, a selection of dual enrollment courses, specialized electives, and unique programs in humanities, molecular genetics, and video production. The performance of our students has been exceptional. Academic honors awarded to members of the Class of 2021 include 3 National Merit Semifinalists, 6 National Merit Commended Students, 10 Advanced Placement Scholars with Honor, and 21 Advanced Placement Scholars.

Pascack Hills High School students are also extensively involved in extracurricular activities. We are proud of how our students perform academically within the classroom, artistically on our stage, and athletically on our playing fields. We are extremely proud of the willingness of so many of our students to give of themselves to our community.

We owe much of our success to our parent community. Both directly and indirectly, our parents collaborate with school personnel and function as partners in motivating our students and applauding their achievements. An active Parent Faculty Association provides the formal link between home and school.

Pascack Hills High School participates actively in the Pascack Valley Inter-district Articulation Program, which coordinates the curriculum between the middle schools and the regional high schools. Regular committee meetings are held throughout the school year to ensure curriculum alignment with the sending districts.

Our students will live in a world of global challenge and opportunity. At Pascack Hills High School, a talented faculty, a resourceful community, and an ambitious student body converge to accept the challenge and engage that opportunity.

### **PASCACK VALLEY HIGH SCHOOL**

Pascack Valley High School is a school that focuses on academic excellence and challenges each of its students to meet high expectations. The student/teacher ratio enables the staff to work individually and in clusters with students to maintain high academic standards while meeting student needs. Academic excellence is the foundation of student life. During the 2019-2020 school year we had 4 National Merit Commended Students. In addition, we continue to have an increase in the number of students challenging themselves at the AP level. We continue to have a large number of students taking an AP test while maintaining passing scores exceeding the state average. This year we had 45 students named AP Scholars, 27 AP Scholars with Honors, and 24 students achieved AP Scholar with Distinction status, 3 students met the National AP Scholar level.

Our students have also excelled in developing multilingual skills. 51 students this past year passed the Seal of Biliteracy demonstrating their competency in two or more languages.

There is a broad array of courses that focus on the individual needs of students. Follow-up surveys and visitations by alumni provide consistent feedback, indicating the high level of academic preparation that they have received from their high school experience.

The Student Council is an exceptional group involved in the essence of student life at Pascack Valley. Dedicated to student issues and service to the community, it is truly a student government. Members of the executive council meet on a regular basis to be proactive in creating a positive atmosphere within the building along with reaching out to help the community. All students are encouraged to become engaged in student clubs and activities. As in past years, each grade level committed itself to supporting a charitable cause by raising funds and awareness throughout the school year. Getting involved in positive, focused activities enhances student life and their school experiences. Community service to our local community and the community-at-large is a major commitment by groups within the school. Student opportunities for development and growth are explored beyond the classroom in a variety of co-curricular activities and athletic programs. In 2019-2020 Pascack Valley High School received the honor of being recognized as an Apple Distinguished School for its innovation, leadership, and educational excellence. This is the 12<sup>th</sup> year in a row Pascack Valley has received such distinction. We have also been recognized nationally by being selected to be part of the Digital Promise network, which is an elite national organization that selects the top innovative schools in the country.

The student support services include a Child Study Team and a skilled guidance staff. An Intervention and Referral Services Team specializes in early intervention of at-risk students, and the Student Assistance Coordinator provides services and strategies that focus on prevention and intervention. These carefully coordinated services provide on-going support for students and their families. These personnel are committed to servicing the needs of Pascack Valley students at an exceptional level. We recently expanded our support services by adding the PV Wellness Center. The staff at Pascack Valley High School is pleased to provide a supportive environment that expands student experiences and involvement as they develop toward their potential. The Park@PVR program continues to flourish. The program continues to successfully keep students in district and has become a program that many area schools seek to send their district's special education students.

### **PARENT/FACULTY ORGANIZATIONS**

A very active parent association provides an extremely valuable source of support for our students. The PFA (Parent Faculty Association) at Pascack Hills High School and the PFO (Parent Faculty Organization) at the Pascack Valley High School work well with school personnel and act as partners in motivating our students and applauding their achievements.

### **CURRICULUM AND INSTRUCTION**

The office of Curriculum, Instruction, and Assessment has many areas of responsibility. This office is organized as follows: An Assistant Superintendent, Supervisor of Mathematics & Computer Science, Supervisor of Science and Technology Education, Supervisor of Special Services, Supervisor of Guidance, Supervisor of World Languages, Music, ELL, and Family and Consumer Sciences, Supervisor of Social Studies, Business, and Physical and Health Education, Supervisor of English, Art, and Media Services, and Director of Instructional Technology. There is also a Regional Instruction and Curriculum Coordinator to help with articulation among our four K-8 sending districts.

The stated mission of the office of Curriculum, Instruction, and Assessment is to prepare students to be knowledgeable and productive citizens in our society. To make this goal a reality, the Office of Curriculum, Instruction, and Assessment works with the District's energetic, knowledgeable, and professional staff. Furthermore, the District has established innovative ways to articulate and communicate curriculum among the districts of Hillsdale, Montvale, River Vale and Woodcliff Lake so that students receive a quality K-12 education.

Another area of responsibility of the Office of Curriculum, Instruction, and Assessment is to monitor the District curriculum, making certain that it is equivalent in both high schools, that it meets the needs of students for the 21st century, and is aligned to New Jersey Student Learning Standards, national standards, and researched-based best practices. The curriculum of the Pascack Valley Regional High School District is designed to provide students with a rigorous and meaningful educational experience that prepares them for college, careers, and life. Students are provided with a firm grounding in the core content areas while independent and critical thinking skills, as well as oral and written expression, are emphasized. College Preparatory, Honors, Dual Enrollment, and Advanced Placement and college level courses challenge all students to meet high District expectations.

A goal of the District is to provide differentiated instruction that meets the wide range of student learning. Through staff development opportunities, this office encourages teachers to use a wide variety of instructional strategies and methods of assessment, thus providing students with multiple opportunities to learn and demonstrate understanding and mastery of the material. Teachers are supported and encouraged to infuse technology into instruction so that students learn and practice skills that will serve them in the future.

The Pascack Valley Regional High School District's Professional Development Committee and the School Improvement (SciP) committee in conjunction with the Office of Curriculum, Instruction, and Assessment continue to develop plans to provide teachers with multiple opportunities for professional development.

During the 2019-20 school year the Pascack Valley Regional High School District devoted two full days for professional development in addition to five half day experiences for professional staff. The district used the Marzano model of "Professional Learning Communities" (aka "PLC's) to have groups of teachers work collaboratively on a year-long project related to increasing levels of equity and inclusivity in the schools and curriculum. This is in addition to the variety of professional development workshops, school visitations, peer observations, study groups, and afterschool training that was offered to teachers. Lastly, during the 2019-20 school year the Regional Curriculum Office had another successful year of providing curriculum coordination, professional development, and instructional coaching for the four sending districts. This office launched on July 1, 2012.

The Pascack Valley Regional High School District mission is to prepare students for college, careers, and life. Their vision is to create a culture of innovation, inquiry, and individuality that promotes achievement and choice by cultivating the skills needed to compete and collaborate as ethical and responsible global citizens. Largely in part to the technology tools provided through our nationally recognized 1:1 laptop program, now entering its 17<sup>th</sup> year, all participants in our learning community, students and teachers alike, have the opportunity and resources to achieve that vision.

Technology is woven into the fabric of the Pascack Valley Regional High School District as it is infused and integrated across all curricular areas. Successful integration of technology is made possible through support for creativity and professional growth of our teachers, and the results are a profound impact on the education and future of our students. Outstanding instruction, supported by our 1:1 laptop program, enables our students to take ownership of their education, pursuing all opportunities our district can provide for knowledge, critical thinking, collaboration and exploration.

Complacency promotes mediocrity, while progression promotes excellence. As we have for the past 17 years, Board Members, administration, faculty, staff, students and parents will work together to seek and achieve excellence with our instructional program and 1:1 laptop program. We will continue to explore and embrace the ever-changing tools needed for achieving our vision and excellence. We will continue to work with our community to provide an outstanding and progressive educational environment for our students. We will continue to seek out new global connections to prepare students for the global economy.

Working toward this vision, the district has set forth the following Technology goals through 2021:

1. With the continued support of the Board of Education and District Administration, foster an environment for our district “community of learners” to further the use of Educational Technology.
2. Under the direction of the Curriculum Office, provide appropriate instruction and resources to support the infusion and promotion of Digital Citizenship in support of the district vision.
3. Continue providing an environment where students, teachers and administrators have access to the appropriate educational resources at any time, from anywhere.
4. Explore and maintain opportunities for Shared Technology Services with sending districts, as well as with districts in the Region and State, in an effort to reduce costs and provide better services for all participating districts.
5. Especially in light of the global pandemic, continue to improve our delivery of instruction through remote and hybrid means.

We continue to strive toward improving communications with all stakeholders, especially with the community at large. This year, we have updated our website with the intention of providing our community a better experience, especially on mobile devices. Our website continues to be the main hub of communication with the community, providing contact information for all faculty and staff, as well as pertinent and up-to-date notices on programs, events and initiatives.

We use a “School Messenger Notify System” which allows us to send both broadcast and targeted communications to our stakeholders. This system also allows us to make reverse 911 calls for emergencies, as well as now providing the ability to send text and email messages to targeted sets of parents. Additionally, Administration and faculty continue to use Social Media as yet another way of broadcasting information regarding events, emergencies and the great things happening within our district.

The Parent and Student Access Portals of our Genesis Student Information System are continuously enhanced to view attendance, semester grades, gradebook (assignment level), and scheduling and discipline records. Additionally, through Genesis parents have the ability to securely complete forms online, saving time and paper for all involved. Our Learning Management System, Canvas, collates all instructional materials to a secure online presence for students, parents and teachers. Creating something of a virtual classroom, Canvas is a repository for resources and assignments, complete with a course calendar that students and parents can view in real time giving them a clear understanding of the work. Online courses are also offered as an option for students.

### **SPECIAL SERVICES**

The Special Services Department of Pascack Valley Regional High School District (PVRHSD) is committed to ensuring that students with disabilities receive a free and appropriate public education consisting of placement and services based on each student's unique needs. Our students are afforded full educational opportunities, and to the maximum extent possible, are educated in the least restrictive environment.

We believe that *all* students can learn. We are committed to providing services to students that will ensure personal and academic success and college and/or career readiness.

This is accomplished through a continuum of in-district placement options.

Students with disabilities are mainstreamed with supplementary aides and services in general education classes. Also, inclusive education is provided through in-class support from a Special Education Teacher in collaboratively taught classes with approximately 81 such classes offered District wide.

Students with disabilities also benefit from Secondary Special classes (Resource Replacement classes taught by General Education Content Specialists with no more than 16 classified students per class), Resource Replacement classes (taught by Highly Qualified Special Education Teachers with no more than 12 students per class) and Resource Pull-out Support (Study Skills) classes. The District offers approximately 164 collaborative and special education classes.

In addition to the aforementioned class offerings, PVRHSD has five Special Programs to meet the multiple needs of students with a range of disabilities.

There are two programs for behavioral disabilities, which provide therapeutic and behavioral services as well as adapted curricula. Also, the District offers a program to students with mild to moderate intellectual or learning and language disabilities that offers modified curricula, functional life skills development through a Life Skills course with community based learning opportunities, and vocational skill development through a Transition Education course and the District's Internship Program. In addition, a Life Skills program is extended to adult students with disabilities ages 18-21 as appropriate. Furthermore, an Extended School Year program is provided in July, in accordance with a student's IEP, when an interruption in educational programming would cause a student's performance to revert to a lower level of functioning and recoupment would not be expected in a reasonable length of time.

The Special Services Department is comprised of two Child Study Teams (four Psychologists, two Social Workers, and four Learning Consultants), along with 24 Special Education Teachers, 21 one-to-one Aides, Instructional Assistants, and Job Coaches, two Speech and Language Therapists, a Coordinator of Special Programs, a Behavior Consultant and a Transition Coordinator.

As part of school wide Positive Behavior Supports, Special Services, Guidance and Administration meet monthly to plan and provide assistance to any student encountering significant difficulties and who may be at-risk. Special Services is also represented on the District's Intervention and Referral Service Committee (I&R/S). This committee assists students in the general education program by identifying and collecting information on learning, behavior and health difficulties and through developing and implementing action plans with teachers to improve students' academic and functional performance.

Pascack Valley Regional High School District addresses the needs of classified students attending a Non-Public School in Montvale, NJ through a contract with Bergen County Special Services (BCSS). The District Supervisor of Special Services meets annually with Non-Public School personnel and BCSS to ensure appropriate and seamless provision of services.

The District also sponsors a separate public school program, Park Academy (coordinated by the Region II Office of Special Education), which is a behavioral disabilities program for students grades 4 through 8.

Pascack Valley Regional High School District accepts tuition students into the District's five special programs, from school districts that do not have in-district placement options; this affords students with disabilities, throughout Bergen County, a public school experience with opportunities for inclusion to the maximum extent possible.

Pascack Valley Regional High School District has approximately 377 classified students who are being educated in-district. There are an additional 40 students placed out-of-district in county and private facilities. The District has accepted 23 tuition students and services a total of 64 students in the District's special programs.

## **2) ECONOMIC CONDITION AND OUTLOOK**

New Jersey continues to gradually gain momentum but is still behind the rest of the nation in overall economic growth since the recession. Demographics have been influenced by millennials moving to urban environments and businesses following suit. The impact has been felt heavily by suburban corporate facilities. In addition, New Jersey's cost of living is higher than competing areas and the state has seen a significant outflow of residents and businesses, including the loss of corporate headquarters for Mercedes Benz in Montvale. In addition, small businesses have been forced to close due to the COVID-19 pandemic. As a result, fewer companies and consumers are left to fund state revenues which in turn puts pressure on local school districts seeking aid. One of the state's largest challenges continues to be funding the state pension system and to stop the underfunded liability from increasing. New Jersey's weak fiscal position has led to downgrades in its credit rating.

The district is striving to take advantage of exciting developments in education and the emergence of cutting-edge technologies which has created new fields such as data analytics, sustainability, entrepreneurship, and STEM programs. However, all of New Jersey's public schools can only take advantage of these technologies if underfunding is dealt with.

While continuing to work within the tax levy cap increase of 2%, Governor Murphy signed legislation, which will take effect in 2020 to fully fund public school districts. Current school funding law will be modified to eliminate adjustment aid as well as State aid growth caps. This approach is meant to provide more equitable funding distribution. Over the course of seven years, aid to overfunded districts will be reduced and aid to underfunded districts will be increased to ensure that all public schools receive appropriate levels of state assistance under the School Funding Reform Act (SFRA) by fiscal year 2025. The District is one of the underfunded districts and has seen an increase in State Aid. Meanwhile, the burden of funding school budgets will continue to rely heavily on community taxpayers.

## **3) MAJOR INITIATIVES**

Our students continue to score significantly above the state and national average in all standardized measures of achievement. The SAT scores for the District Class of 2019 remain substantially above the state & national averages. Of our graduates, approximately 97% of the students in the Pascack Valley Regional High School District attend postsecondary schools. The remainder enter the military or careers.

As in years past, a number of building maintenance projects were completed during the year. In general, the buildings are well maintained. A program of preventive maintenance is in place. The comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects. Funding for these projects is included in the annual budget.

Several major projects were completed in 2019-2020, including construction of turf replacement, breezeway enclosure and toilet renovations at Pascack Hills and breezeway enclosure at Pascack Valley.

The District is very concerned about maintaining a safe and hazard free work environment for students and staff. Annual safety workshops were held for custodial and maintenance employees. This is part of the District's membership in North East Bergen County School Board Insurance Group (NESBIG). In addition, all of the required annual and semi-annual health reports, inspections and public press releases,

such as AHERA., Right to Know, Medical Waste Disposal, Fire Inspections, Life Hazard Registry, Lab Safety Standards, have been updated, completed and filed promptly. Arrangements have been made for administering blood borne pathogen vaccinations to new staff in accordance with District policy. All required health and safety certificates and employee' notices are on file in each building.

**4) INTERNAL ACCOUNTING CONTROLS**

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

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

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

**5) BUDGETARY CONTROLS**

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

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

**6) ACCOUNTING SYSTEMS AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

**7) CASH MANAGEMENT**

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



units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

**8) RISK MANAGEMENT**

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

The Board is a member of the Northeast Bergen County School Board Insurance Group, ("NESBIG"). The NESBIG is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to its members. Additional information on the NESBIG is included in Note 11 to the Basic Financial Statements.

**9) OTHER INFORMATION**

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

**10) ACKNOWLEDGMENTS**

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

Respectfully submitted,

*P. Erik Gundersen*

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Dr. P. Erik Gundersen  
Superintendent

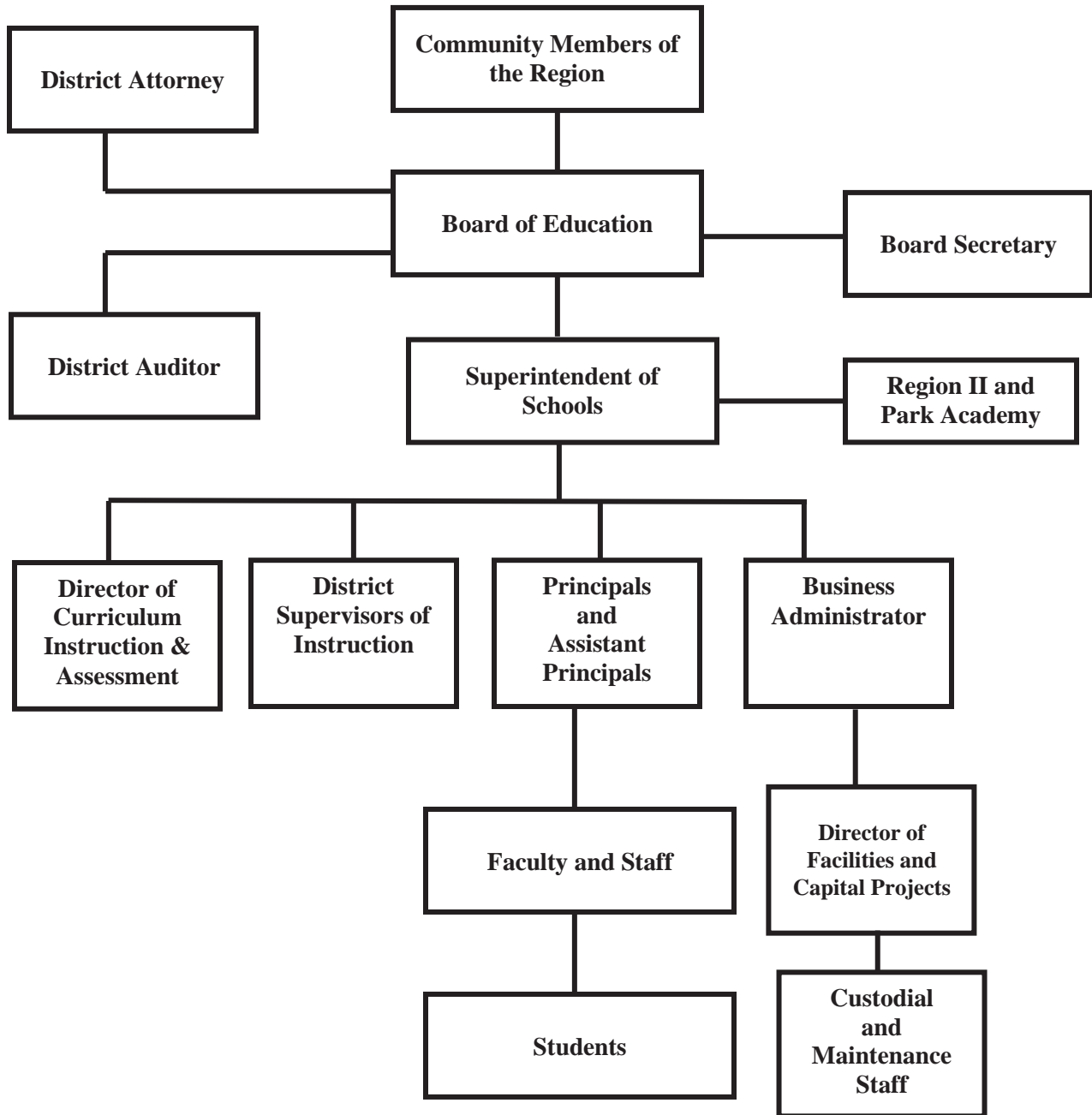
*Yas Usami*

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Mr. Yas Usami  
Business Administrator/Board Secretary

# PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT

## ORGANIZATIONAL CHART



**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
MONTVALE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2020**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>	<b><u>Sending District</u></b>
Ms. Tammy Molinelli, President	2022	Woodcliff Lake
Ms. Janet Bissinger, Vice President	2021	Montvale
Mr. Joseph Blundo	2021	River Vale
Mr. Michael Fronte	2021	Hillsdale
Mr. Brian Hallowell	2020	Montvale
Mr. Kenneth Ralph	2020	Hillsdale
Mr. Arnold Scher	2020	Hillsdale
Mr. James Stankus	2022	River Vale
Mr. David Steinberg	2020	Woodcliff Lake

**Other Officials**

Dr. P. Erik Gundersen, Superintendent

Ms. Pamela Baxley, Business Administrator/Board Secretary

Dr. Barry Bachenheimer, Director of Curriculum, Instruction and Assessment

Mrs. Deborah Carpino, Treasurer

**PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT**

**Consultants and Advisors**

**Architect**

Charles L. Koch AIA, PP, NCARP  
Environetics Group Architects, PC  
180 Sylvan Avenue  
Englewood Cliffs, NJ 07632

**Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856-1320

and

Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

**Attorney**

Stephen R. Fogarty and Rodney T. Hara  
Fogarty and Hara Counselors at Law  
21-00 Route 208 South  
Fair Lawn, NJ 07410

**Official Depository**

Valley Bank  
1460 Valley Road  
Wayne, NJ 07675

**FINANCIAL SECTION**

## Independent Auditors' Report

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

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

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

### **Management's Responsibility for the Financial Statements**

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

### ***Auditors' Responsibility***

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

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

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

## **Opinions**

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

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
December 16, 2020

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*

Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Pascack Valley Regional High School District Management's Discussion and Analysis

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

### Overview of the Financial Statements

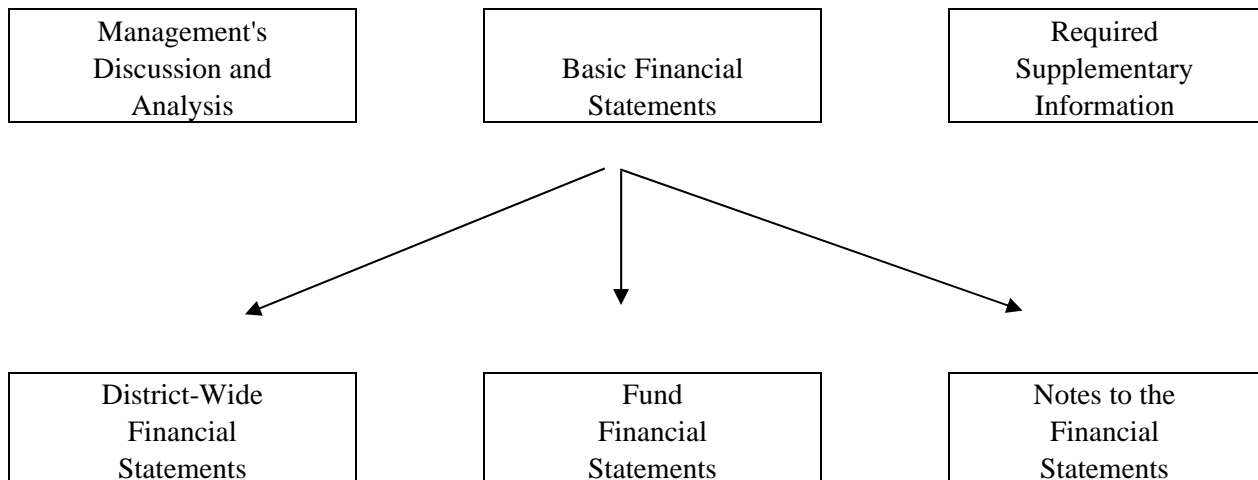
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the fiscal year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
**Organization of the Board of Education of Pascack Valley Regional High School's Financial Report**



**Pascack Valley Regional High School District  
Management's Discussion and Analysis**

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

**Figure A-2**

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

## **Pascack Valley Regional High School District Management's Discussion and Analysis**

### ***District-wide Statements***

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

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

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

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

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

### ***Fund Financial Statements***

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

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

The District has three kinds of funds:

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

**Pascack Valley Regional High School District  
Management's Discussion and Analysis**

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

**Notes to the Basic Financial Statements**

Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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

Net Position. The Statement of Net Position provides one perspective of the District as a whole. Figure A-3 provides a summary of the District's net position as of June 30, 2020 and 2019. The District's combined net position was \$40,295,962 on June 30, 2020 or 3.18% more than the year before. Net investment in capital assets increased by \$2,747,589. Restricted net position decreased by \$220,269 due to increases the emergency reserve of \$1,250 and capital reserve of \$197,468, offset by a decrease in the maintenance reserve of \$374,250 and in excess surplus of \$44,737. Unrestricted net position decreased by \$1,284,981.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Assets:							
Current and Other Assets	\$ 18,294,783	\$ 18,998,651	\$ 141,984	\$ 347,423	\$ 18,436,767	\$ 19,346,074	
Capital Assets, Net	55,234,584	53,911,475	76,724	71,623	55,311,308	53,983,098	
Total Assets	<u>73,529,367</u>	<u>72,910,126</u>	<u>218,708</u>	<u>419,046</u>	<u>73,748,075</u>	<u>73,329,172</u>	0.57%
Deferred Outflows of Resources	<u>3,676,859</u>	<u>5,026,529</u>	<u>227,528</u>	<u>321,597</u>	<u>3,904,387</u>	<u>5,348,126</u>	-27.00%
Liabilities:							
Long-Term Liabilities	29,966,825	32,525,382	989,063	1,069,441	30,955,888	33,594,823	
Other Liabilities	1,406,622	1,080,224	199,775	182,145	1,606,397	1,262,369	
Total Liabilities	<u>31,373,447</u>	<u>33,605,606</u>	<u>1,188,838</u>	<u>1,251,586</u>	<u>32,562,285</u>	<u>34,857,192</u>	-6.58%
Deferred Inflows of Resources	<u>4,430,933</u>	<u>4,408,988</u>	<u>363,282</u>	<u>357,495</u>	<u>4,794,215</u>	<u>4,766,483</u>	0.58%
Net Position:							
Net Investment in Capital Assets	39,467,647	36,725,159	76,724	71,623	39,544,371	36,796,782	
Restricted	12,780,244	13,000,513			12,780,244	13,000,513	
Unrestricted/(Deficit)	<u>(10,846,045)</u>	<u>(9,803,611)</u>	<u>(1,182,608)</u>	<u>(940,061)</u>	<u>(12,028,653)</u>	<u>(10,743,672)</u>	
Total Net Position/(Deficit)	<u>\$ 41,401,846</u>	<u>\$ 39,922,061</u>	<u>\$ (1,105,884)</u>	<u>\$ (868,438)</u>	<u>\$ 40,295,962</u>	<u>\$ 39,053,623</u>	3.18%

**Pascack Valley Regional High School District  
Management's Discussion and Analysis**

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

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Revenue:							
Program Revenue:							
Charges for Services	\$ 728,946	\$ 970,560	\$ 6,527,166	\$ 7,201,987	\$ 7,256,112	\$ 8,172,547	
Grants and Contributions:							
Operating	16,925,605	16,577,664			16,925,605	16,577,664	
Capital	14,993	366,067			14,993	366,067	
General Revenue:							
Property Taxes	51,576,950	49,755,783			51,576,950	49,755,783	
Federal and State Aid							
State Aid Not Restricted	35,828	35,828			35,828	35,828	
Other	589,510	1,582,628	1,465	1,941	590,975	1,584,569	
Total Revenue	<u>69,871,832</u>	<u>69,288,530</u>	<u>6,528,631</u>	<u>7,203,928</u>	<u>76,400,463</u>	<u>76,492,458</u>	-0.12%
Expenses:							
Instruction	38,416,786	38,113,189			38,416,786	38,113,189	
Pupil and Instruction Services	14,145,520	13,280,096			14,145,520	13,280,096	
Administrative and Business	4,726,843	4,596,863			4,726,843	4,596,863	
Maintenance and Operations	5,911,463	5,578,930			5,911,463	5,578,930	
Transportation	1,846,119	1,938,306			1,846,119	1,938,306	
Other	3,345,316	3,319,586	6,766,077	7,494,368	10,111,393	10,813,954	
Total Expenses	<u>68,392,047</u>	<u>66,826,970</u>	<u>6,766,077</u>	<u>7,494,368</u>	<u>75,158,124</u>	<u>74,321,338</u>	-1%
Change in Net Position	<u>\$ 1,479,785</u>	<u>\$ 2,461,560</u>	<u>\$ (237,446)</u>	<u>\$ (290,440)</u>	<u>\$ 1,242,339</u>	<u>\$ 2,171,120</u>	43%

**Pascack Valley Regional High School District  
Management's Discussion and Analysis**

***Governmental Activities***

Maintaining existing programs with a multitude of special programs and services for disabled pupils while remaining within in the 2% tax cap places great demands on the District's resources. During the past five years, a number of veteran teachers have retired and have been replaced by teachers with less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to offset increased special education programs and increased health benefit costs.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions during the past three years were:

- Region II, a joint venture with other area school districts, provides all of the transportation routes to out-of-district special education schools.
- The District has in-district special education programs that saved on out-of-district tuition and transportation. In addition, out-of-district students pay tuition to attend these programs.
- Standard practice has been to maintain lower maintenance costs by seeking competitive proposals each fiscal year for these services.
- Participation in energy and telecommunication consortiums.
- Participation in a purchasing cooperative with over 300 school districts.
- Participation in the Northeast Bergen School Board Insurance Group.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

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

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2019/20	2018/19	2019/20	2018/19
Instruction	\$ 38,416,786	\$ 38,113,189	\$ 25,190,100	\$25,364,992
Pupil and Instruction Services	14,145,520	13,280,096	10,975,449	9,841,239
Administrative and Business	4,726,843	4,596,863	4,023,114	3,871,815
Maintenance and Operations	5,911,463	5,578,930	5,713,183	4,981,234
Transportation	1,846,119	1,938,306	1,475,341	1,533,813
Other	3,345,316	3,319,586	3,345,316	3,319,586
	<u>\$ 68,392,047</u>	<u>\$ 66,826,970</u>	<u>\$ 50,722,503</u>	<u>\$48,912,679</u>

**Pascack Valley Regional High School District  
Management's Discussion and Analysis**

***Business-Type Activities***

Net position from the District's business-type activity decreased by \$237,446 (Refer to Figure A-4). Factors contributing to these results included:

- The District established a new enterprise fund called the Milestone Program during the 2017-2018 year, which had a decrease from the prior year's deficit of \$78,605. The District acknowledges that this is only the third year of this program's existence and will continue to monitor the progress of the program and look at alternatives to decrease costs. The Park Academy enterprise also saw a decrease in net position of \$83,887 and the Food Service enterprise also saw a decrease in net position of \$69,158. In the past few years, the costs to run the programs have not been offset by the revenues the programs produce and the District is aware and is looking at alternatives to reduce costs. Moreover, the COVID-19 pandemic required the early closure of the school district causing overall decrease in revenues and expenses in all enterprise funds.

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

Difficult economic times due to COVID-19 have had a direct impact upon the District's revenue sources. Ratables in the municipalities will be impacted by closures of businesses, thus generating concern for the local tax levy in the future. The District had been experiencing favorable interest on investments from banking services, however the pandemic has caused interest rates to plummet. On the positive side, the District has enjoyed an increase in State Aid and will hopefully receive increases according to the funding formula in which the District had been underfunded in past years.

These factors are likely to continue for the near future. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- The preparation of the 2019/2020 budget was difficult as a result of rising costs. This resulted in the need for line item transfers during the fiscal year.

**Capital Asset and Long-Term Liabilities**

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Land	\$ 6,245,500	\$ 6,245,500			\$ 6,245,500	\$ 6,245,500	
Construction in Progress	9,578,098	6,371,162			9,578,098	6,371,162	
Land Improvements	1,218,373	1,416,080			1,218,373	1,416,080	
Buildings and Building Improvements	37,430,964	39,506,163			37,430,964	39,506,163	
Machinery and Equipment	761,649	372,570	\$ 76,724	\$ 71,623	838,373	444,193	
<b>Total Capital Assets (Net of Depreciation)</b>	<b>\$ 55,234,584</b>	<b>\$ 53,911,475</b>	<b>\$ 76,724</b>	<b>\$ 71,623</b>	<b>\$ 55,311,308</b>	<b>\$ 53,983,098</b>	<b>2.46%</b>



**Pascack Valley Regional High School District  
Management's Discussion and Analysis**

**Long-term Liabilities**

At fiscal year end, the District had \$15,590,000 of general obligation bonds outstanding – a decrease of \$1,400,000 from last year. In addition, the District has \$13,052,592 of net pension liability – a net decrease of \$1,206,228 from last year, \$1,078,635 of unamortized bond issuance premium – a net decrease of \$177,963 from last year, and \$1,234,662 in compensated absences payable – a net increase of \$145,257 from the prior year.

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

	Total School District		Total Percentage
	2019/20	2018/19	Change 2019/20
General Obligation Bonds (Financed with Property Taxes)	\$ 15,590,000	\$ 16,990,000	
Other Long - Term Liabilities	15,365,888	16,604,823	
	<u>\$ 30,955,888</u>	<u>\$ 33,594,823</u>	-7.86%

**Factors Bearing on the District's Future Revenue/Expenses**

The board and the administration have had discussions on how existing circumstances could affect the future financial health of the School District. The following examples may have an impact and affect the financial operation in the future:

- The current economic crisis due to COVID-19 has generated concern in the educational community for public school funding.
- Governor Murphy's legislation to modify the school funding law is favorable to the District.
- The district faces challenges for financial planning to continue the expansion and renovation of both Pascack Hills and Pascack Valley High Schools to meet curriculum demands and aging facilities.

**The two percent tax levy cap has generated concern in the educational community for public school funding.**

In New Jersey, the response to the tax levy cap has been to impose such measures as larger class sizes, cuts of jobs and textbook budgets, reduced school bus service, and fewer resources for state education departments and the uncertainty that state legislation could impose greater constraints on public school districts, has had an effect on suburban public school districts recognized for providing innovative and cutting edge programs to their students to place a hold on expanding their academic offerings. Wealthy districts such as the sending districts of Hillsdale, Montvale, River Vale and Woodcliff Lake to the Pascack Valley Regional High School District, which are mostly residential, are concerned that if the state does not provide these districts their fair share of state aid, the schools will be unable to provide the programs that made them high achieving districts and to maintain the condition of the school facilities.

The discussion about the constant increases in local property taxes in the media and the method which is used by the state to apportion school taxes between the sending districts has polarized many communities, and in the center of this discontent is the cost of education. The state legislatures have embraced this opportunity to shift the problems of inefficiency and accountability from state bureaucracy to the cost of funding public schools.

## **Pascack Valley Regional High School District Management's Discussion and Analysis**

### **Facility Upgrades**

Financial planning is required to fund the future challenges of needed expansion and renovation in both Pascack Hills and Pascack Valley High Schools in order to meet enrollment and curriculum demands along with necessary facility modifications. The current plan is to continue allocations in the Fund 12, General Fund Capital Outlay section of the school budget. This financial plan has allowed the District to identify projects to be included in the General Fund Capital Outlay section of the school budget without the need to include a special question for the voters to approve at the annual school election. Furthermore, by maintaining the line item at the previous level there is a neutral effect on the tax base.

### **Contracting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Pascack Valley Regional Board of Education Office located at 28 West Grand Avenue, Montvale, New Jersey.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

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

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,649,710	\$ 331,624	\$ 7,981,334
Interfund Receivables	17,664		17,664
Internal Balances	1,246,148	(1,246,148)	
Receivables from Federal Government	22,629		22,629
Receivables from State Government	1,062,993		1,062,993
Receivables from Other Governments	57,082	1,035,648	1,092,730
Other Receivables	18,839		18,839
Inventory		20,860	20,860
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	7,129,468		7,129,468
Maintenance Reserve Account	830,250		830,250
Emergency Reserve Account	260,000		260,000
Capital Assets, Net:			
Sites (Land) and Construction in Progress	15,823,598		15,823,598
Depreciable Land Improvements, Buildings and Building Improvements and Machinery and Equipment	39,410,986	76,724	39,487,710
Total Assets	<u>73,529,367</u>	<u>218,708</u>	<u>73,748,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding	901,698		901,698
Deferred Outflows Related to Pensions	2,775,161	227,528	3,002,689
Total Deferred Outflows of Resources	<u>3,676,859</u>	<u>227,528</u>	<u>3,904,387</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	279,685	45,985	325,670
Accrued Interest Payable	213,297		213,297
Payable to State Government	891,092	62,738	953,830
Unearned Revenue	22,548	91,052	113,600
<b>Noncurrent Liabilities:</b>			
Due Within One Year	1,627,963		1,627,963
Due Beyond One Year	28,338,862	989,063	29,327,925
Total Liabilities	<u>31,373,447</u>	<u>1,188,838</u>	<u>32,562,285</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	4,430,933	363,282	4,794,215
Total Deferred Inflows of Resources	<u>4,430,933</u>	<u>363,282</u>	<u>4,794,215</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	39,467,647	76,724	39,544,371
Restricted for:			
Capital Projects	7,129,468		7,129,468
Emergency Reserve Account	260,000		260,000
Maintenance Reserve Account	830,250		830,250
Excess Surplus	4,560,526		4,560,526
Unrestricted/(Deficit)	(10,846,045)	(1,182,608)	(12,028,653)
Total Net Position/(Deficit)	<u>\$ 41,401,846</u>	<u>\$ (1,105,884)</u>	<u>\$ 40,295,962</u>

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

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

Functions/Programs	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 28,662,670		\$ 8,092,599		\$ (20,570,071)		\$ (20,570,071)
Special Education	6,522,720		4,357,700		(2,165,020)		(2,165,020)
Other Special Instruction	16,475		11,257		(5,219)		(5,219)
Other Instruction	3,214,921		765,130		(2,449,791)		(2,449,791)
Support Services:							
Tuition	4,244,272	\$ 728,946			(3,515,326)		(3,515,326)
Student & Instruction Related Services	9,901,248		2,441,125		(7,460,123)		(7,460,123)
General Administrative Services	1,227,177		55,772		(1,171,406)		(1,171,406)
School Administrative Services	2,217,961		556,512		(1,661,449)		(1,661,449)
Central Services	845,809		62,209		(783,600)		(783,600)
Administration Information Technology	435,895		29,235		(406,660)		(406,660)
Plant Operations and Maintenance	5,911,463		183,288	\$ 14,993	(5,713,183)		(5,713,183)
Pupil Transportation	1,846,119		370,778		(1,475,341)		(1,475,341)
Interest on Long-Term Debt	564,271				(564,271)		(564,271)
Capital Outlay	68,691				(68,691)		(68,691)
Unallocated Depreciation	2,712,354				(2,712,354)		(2,712,354)
Total Governmental Activities	68,392,047	728,946	16,925,605	14,993	(50,722,503)		(50,722,503)

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 679,904	\$ 609,281			\$ (70,623)	\$ (70,623)	
Park Academy	932,659	848,772			(83,887)	(83,887)	
Region II Transportation and Administration	4,815,849	4,810,053			(5,796)	(5,796)	
Region II Summer School	64,393	64,393					
Milestone Program	196,821	118,216			(78,605)	(78,605)	
Transportation	76,451	76,451					
Total Business-Type Activities	6,766,077	6,527,166			(238,911)	(238,911)	
Total Primary Government	\$ 75,158,124	\$ 7,256,112	\$ 16,925,605	\$ 14,993	\$ (50,722,503)	\$ (50,961,414)	
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					49,577,550	49,577,550	
Taxes Levied for Debt Service					1,999,400	1,999,400	
State Aid Not Restricted					35,828	35,828	
Interest and Miscellaneous Income					589,510	590,975	
Total General Revenues					52,202,288	52,203,753	
Change in Net Position					1,479,785	1,242,339	
Net Position/(Deficit) - Beginning					39,922,061	39,053,623	
Net Position/(Deficit) - Ending					\$ 41,401,846	\$ 40,295,962	

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

**FUND FINANCIAL STATEMENTS**



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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 6,373,576	\$ 96,897	\$ 1,179,237	\$ 7,649,710
Interfund Receivable	1,286,140			1,286,140
Receivables from Federal Government		22,629		22,629
Receivables from State Government	1,036,647	26,346		1,062,993
Receivables from Other Governments	57,082			57,082
Other Receivables	18,839			18,839
Restricted Cash and Cash Equivalents	8,219,718			8,219,718
<b>Total Assets</b>	<u>\$ 16,992,002</u>	<u>\$ 145,872</u>	<u>\$ 1,179,237</u>	<u>\$ 18,317,111</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Interfund Payable	\$ 7,335		\$ 14,993	\$ 22,328
Payable to State Government		\$ 125,888		125,888
Accounts Payable	279,685			279,685
Unearned Revenue	2,564	19,984		22,548
<b>Total Liabilities</b>	<u>289,584</u>	<u>145,872</u>	<u>14,993</u>	<u>450,449</u>
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Excess Surplus	2,205,263			2,205,263
Excess Surplus - Subsequent Year's Expenditures	2,355,263			2,355,263
Capital Reserve Account	7,129,468			7,129,468
Maintenance Reserve Account	830,250			830,250
Emergency Reserve Account	260,000			260,000
Committed - Capital Projects Fund			1,164,244	1,164,244
<b>Assigned:</b>				
Encumbrances	1,984,513			1,984,513
<b>Unassigned:</b>				
General Fund	1,937,661			1,937,661
<b>Total Fund Balances</b>	<u>16,702,418</u>		<u>1,164,244</u>	<u>17,866,662</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 16,992,002</u>	<u>\$ 145,872</u>	<u>\$ 1,179,237</u>	<u>\$ 18,317,111</u>

Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are Different Because:

Funds Balances - Governmental Funds (Above)	\$ 17,866,662
Capital Assets Used in Governmental Activities are not Financial Resources and therefore are not reported in the Funds.	55,234,584
Deferred Amount on Refunding is not reported as expenditures in the Governmental Funds in the year of the expenditure. The Deferred Amount on Refunding is \$2,170,388 and the accumulated amortization is \$1,110,106.	1,060,282
Interest on Long-Term Debt is not Accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(213,297)
Bond Premiums are reported as revenue in the Funds. These premiums total \$2,502,352 and the accumulated amortization is \$1,423,717	(1,078,635)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(12,063,528)

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

	<u>Total Governmental Funds</u>
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	\$ 2,009,957
Deferred Inflows	(4,430,933)
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.	
	<u>(16,983,246)</u>
Net Position of Governmental Activities	<u>\$ 41,401,846</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 49,577,550			\$ 1,999,400	\$ 51,576,950
Tuition Charges	728,946				728,946
Miscellaneous	589,510	\$ 60,000	\$ 14,993		664,503
Total - Local Sources	50,896,006	60,000	14,993	1,999,400	52,970,399
State Sources	10,235,697	296,436			10,532,133
Federal Sources		488,348			488,348
Total Revenues	61,131,703	844,784	14,993	1,999,400	63,990,880
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	16,895,534	389,022			17,284,556
Special Education Instruction	3,451,994	455,762			3,907,756
Other Instruction	2,095,059				2,095,059
Support Services and Undistributed Costs:					
Tuition	4,244,272				4,244,272
Student & Instruction Related Services	6,194,858				6,194,858
General Administrative Services	1,020,796				1,020,796
School Administrative Services	1,342,552				1,342,552
Central Services	641,436				641,436
Administration Information Technology	338,384				338,384
Plant Operations and Maintenance	5,395,337				5,395,337
Pupil Transportation	1,821,260				1,821,260
Unallocated Benefits	14,609,597				14,609,597
Debt Service:					
Principal				1,400,000	1,400,000
Interest and Other Charges				599,400	599,400
Capital Outlay	2,769,774		1,258,420		4,028,194
Total Expenditures	60,820,853	844,784	1,258,420	1,999,400	64,923,457
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	310,850		(1,243,427)		(932,577)
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfers In	14,993		774,202		789,195
Transfers Out	(774,202)		(14,993)		(789,195)
Total Other Financing Sources/(Uses)	(759,209)		759,209		
Net Change in Fund Balances	(448,359)		(484,218)		(932,577)
Fund Balance — July 1	17,150,777		1,648,462		18,799,239
Fund Balance — June 30	\$ 16,702,418	\$ -0-	\$ 1,164,244	\$ -0-	\$ 17,866,662

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)			\$ (932,577)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.	Depreciation expense	\$ (2,712,354)	
	Capital outlays	<u>4,035,463</u>	1,323,109
Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)			1,400,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).			15,750
The governmental funds report the effect of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (+)			177,963
The governmental funds report the effect of the deferred amount on the refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities (-)			(158,584)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:			
Change in Net Pension Liability			1,125,851
Change in Deferred Outflows			(1,304,525)
Change in Deferred Inflows			(21,945)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			<u>(145,257)</u>
Change in Net Position of Governmental Activities (A-2)			<u>\$ 1,479,785</u>

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

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

	Business-Type Activities - Enterprise Funds				Total Enterprise
	Non-Major Funds	Major Funds			
		Milestone Program	Region II Transportation	Park Academy	
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 6,708			\$ 324,916	\$ 331,624
Accounts Receivable:					
Interfund Receivable - General Fund				7,335	7,335
Intergovernmental - Other	10,984	\$ 9,800	\$ 920,324	94,540	1,035,648
Inventories	20,860				20,860
<b>Total Current Assets</b>	<b>38,552</b>	<b>9,800</b>	<b>920,324</b>	<b>426,791</b>	<b>1,395,467</b>
Non-Current Assets:					
Capital Assets	244,479				244,479
Less: Accumulated Depreciation	(167,755)				(167,755)
<b>Total Non-Current Assets</b>	<b>76,724</b>				<b>76,724</b>
<b>Total Assets</b>	<b>115,276</b>	<b>9,800</b>	<b>920,324</b>	<b>426,791</b>	<b>1,472,191</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows Related to Pensions		26,268	120,216	81,044	227,528
<b>Total Deferred Outflows of Resources</b>		<b>26,268</b>	<b>120,216</b>	<b>81,044</b>	<b>227,528</b>
<b>Total Assets</b>	<b>115,276</b>	<b>36,068</b>	<b>1,040,540</b>	<b>507,835</b>	<b>1,699,719</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Interfund Payable - General Fund	90,000	382,320	781,163		1,253,483
Accounts Payable - Vendors	287		37,298	8,400	45,985
Accounts Payable - State		7,243	33,148	22,347	62,738
Unearned Revenue	50,477		40,575		91,052
Noncurrent Liabilities:					
Net Pension Liability		114,188	522,576	352,299	989,063
<b>Total Liabilities</b>	<b>140,764</b>	<b>503,751</b>	<b>1,414,760</b>	<b>383,046</b>	<b>2,442,321</b>
Long-Term Liabilities:					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows Related to Pensions		41,941	191,942	129,399	363,282
<b>Total Deferred Inflows of Resources</b>	<b>41,941</b>	<b>41,941</b>	<b>191,942</b>	<b>129,399</b>	<b>363,282</b>
<b>NET POSITION</b>					
Investment in Capital Assets	76,724				76,724
Unrestricted / (Deficit)	(102,212)	(509,624)	(566,162)	(4,610)	(1,182,608)
<b>Total Net Position/(Deficit)</b>	<b>\$ (25,488)</b>	<b>\$ (509,624)</b>	<b>\$ (566,162)</b>	<b>\$ (4,610)</b>	<b>\$ (1,105,884)</b>

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

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

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds	Milestone Program	Region II Transportation	Park Academy	Total Enterprise
Operating Revenue:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs	\$ 587,398				\$ 587,398
Special Events	6,386				6,386
Free Lunch Subsidized	15,497				15,497
Charges and Fees	140,844	\$ 118,216	\$ 4,810,053	\$ 848,772	5,917,885
Total Operating Revenue	750,125	118,216	4,810,053	848,772	6,527,166
Operating Expenses:					
Cost of Sales - Non-Reimbursable Programs	292,351				292,351
Salaries	290,624	203,353	988,401	544,452	2,026,830
Employee Benefits	25,403	(36,286)	201,400	261,327	451,844
Purchased Services	164,989	1,220	888,440	32,350	1,086,999
Contracted Services	4,040		2,726,301	27,950	2,758,291
Supplies and Materials	40,031	1,612	8,286	1,527	51,456
Depreciation Expense	3,310				3,310
Rent		21,000		60,000	81,000
Miscellaneous		5,922	3,021	5,053	13,996
Total Operating Expenses	820,748	196,821	4,815,849	932,659	6,766,077
Operating Income/(Loss)	(70,623)	(78,605)	(5,796)	(83,887)	(238,911)
Non-Operating Revenue:					
Interest Revenue	1,465				1,465
Total Non-Operating Revenue	1,465				1,465
Change in Net Position	(69,158)	(78,605)	(5,796)	(83,887)	(237,446)
Net Position/(Deficit) - Beginning of Year	43,670	(431,019)	(560,366)	79,277	(868,438)
Net Position/(Deficit) - End of Year	\$ (25,488)	\$ (509,624)	\$ (566,162)	\$ (4,610)	\$ (1,105,884)

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

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

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds	Major Funds			Total Enterprise
		Milestone Program	Region II Transportation	Park Academy	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 741,876	\$ 126,816	\$ 5,155,880	\$ 827,966	\$ 6,852,538
Receipts from District	15,497				15,497
Payments to Employees	(55,012)	(203,353)	(970,891)	(544,452)	(1,773,708)
Payments for Employee Benefits	(4,448)	(55,335)	(201,400)	(157,849)	(419,032)
Payments for Services	(76,451)	(1,220)	(3,615,874)	(53,443)	(3,746,988)
Payments for Rent	(4,040)	(21,000)		(60,000)	(85,040)
Payments to Food Service Vendor	(717,752)				(717,752)
Payments to Suppliers	(893)	(7,534)	(11,307)	(6,580)	(26,314)
Net Cash Provided by/(Used for) Operating Activities	<u>(101,223)</u>	<u>(161,626)</u>	<u>356,408</u>	<u>5,642</u>	<u>99,201</u>
Cash Flows from Investing Activities:					
Interest Revenue	1,465				1,465
Net Cash Provided by Investing Activities	<u>1,465</u>				<u>1,465</u>
Cash Flows from Noncapital Financing Activities:					
Interfund Payable - General Fund	40,000	382,320	781,163		1,203,483
Interfund Receivable- General Fund		(220,694)	(1,137,571)	(7,335)	(1,365,600)
Net Cash Provided by/(Used for) Noncapital Financing Activities	<u>40,000</u>	<u>161,626</u>	<u>(356,408)</u>	<u>(7,335)</u>	<u>(162,117)</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of Capital Assets	(8,410)				(8,410)
Net Cash Used for Noncapital Financing Activities	<u>(8,410)</u>				<u>(8,410)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(68,168)			(1,693)	(69,861)
Cash and Cash Equivalents, July 1	74,876			326,609	401,485
Cash and Cash Equivalents, June 30	<u>\$ 6,708</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 324,916</u>	<u>\$ 331,624</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (70,623)	\$ (78,605)	\$ (5,796)	\$ (83,887)	\$ (238,911)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Depreciation	3,310				3,310
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	(7,242)	8,600	330,302	(20,806)	310,854
(Increase)/Decrease in Inventory	(13,160)				(13,160)
Increase/(Decrease) in Difference between Expected and Actual Experience		1,394	765	(662)	1,497
Increase/(Decrease) in Investment Gains - Pensions		(179)	2,966	2,794	5,581
(Increase)/Decrease in Changes in Proportion - Pensions		8,671	12,478	2,703	23,852
Increase/(Decrease) in Pension Liability		(97,011)	(40,627)	57,260	(80,378)
(Decrease) in Interfund Payable					
Increase/(Decrease) in Accounts Payable	(27,998)		(1,133)	6,857	(22,274)
Increase/(Decrease) in Unearned Revenue	14,490		15,525		30,015
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (101,223)</u>	<u>\$ (161,626)</u>	<u>\$ 356,408</u>	<u>\$ 5,642</u>	<u>\$ 99,201</u>

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 978,494	\$ 143,325		\$ 273,208
Other Receivables			\$ 28,550	
<b>Total Assets</b>	<u>978,494</u>	<u>143,325</u>	<u>28,550</u>	<u>273,208</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
General Fund	17,664			
Payroll Deductions and Withholdings	291,580			
Due to Student Groups	532,932			
E- Learning Costs	136,318			
<b>Total Liabilities</b>	<u>978,494</u>			
<b>NET POSITION:</b>				
Held in Trust for:				
Unemployment Claims		143,325		
Flexible Spending Claims			28,550	
Restricted for Scholarships				273,208
<b>Total Net Position</b>	<u>\$ -0-</u>	<u>\$ 143,325</u>	<u>\$ 28,550</u>	<u>\$ 273,208</u>

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



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

	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust
ADDITIONS:			
Contributions:			
Plan Member	\$ 41,421	\$ 95,968	
Other			\$ 156
Total Contributions	41,421	95,968	156
Total Additions	41,421	95,968	156
DEDUCTIONS:			
Quarterly Contribution Reports	18,639		
Flexible Spending Claims		104,458	
Scholarships Awarded			11,950
Total Deductions	18,639	104,458	11,950
Change in Net Position	22,782	(8,490)	(11,794)
Net Position - Beginning of the Year	120,543	37,040	285,002
Net Position - End of the Year	\$ 143,325	\$ 28,550	\$ 273,208

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary funds:

Enterprise Fund: The Enterprise Funds account for all revenue and expenses pertaining to the Board's food service, transportation, milestone program, administration of Region II and other operations. The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the recipients on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 61,139,015	\$ 869,427
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognized Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		39,893
Current Year Encumbrances		(64,536)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	89,367	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(96,679)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 61,131,703	\$ 844,784
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 60,820,853	\$ 869,427
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		39,893
Current Year Encumbrances		(64,536)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 60,820,853	\$ 844,784

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

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

E. Cash and Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, cash in banks and short-term investments with original maturities of three months or less. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

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

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

K. Capital Assets:

During the fiscal year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost, including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	40 years
Land Improvements	20 years
Machinery and Equipment	10 to 15 years



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

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

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

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

N. Compensated Absences:

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

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

Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$16,702,418 General Fund fund balance at June 30, 2020 \$1,984,513 is assigned for encumbrances, \$7,129,468, \$830,250 and \$260,000 are restricted in the capital reserve, maintenance reserve and emergency reserve accounts, respectively; \$4,560,526 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended (\$2,355,263 is prior fiscal year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2021 and the remaining \$2,205,263 is current fiscal year excess surplus and will be included as anticipated revenue for the fiscal year ending June 30, 2022); and \$1,937,661 is unassigned which is \$96,679 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which are not recognized until the fiscal year ended June 30, 2021.

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

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

P. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: Of the \$1,164,244 Capital Projects Fund fund balance at June 30, 2020 \$1,164,244 is committed for capital projects which is financed with capital outlay or capital reserve funds.

Debt Service Fund: The Debt Service Fund fund balance is \$-0- at June 30, 2020.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent fiscal year's budget. The District has excess surplus at June 30, 2020 as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$96,679 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event one or more state school aid payments are not made until the following school budget year, districts must record the June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school district cannot recognize the June state aid payments on the GAAP financial statements until the fiscal year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Net Position:

The District has a deficit in unrestricted net position of \$10,846,045 in governmental activities, which is primarily due to compensated absences payable, and liabilities and deferred inflows and outflows related to pensions. The Food Service has a deficit in unrestricted net position of \$25,488 due to proportional decreases in revenues and in expenses from 2019 due to the inactivity in the food service program because of the COVID-19 pandemic related closures of the school. Region II Enterprise Fund Transportation Fund has a deficit in unrestricted net position of \$566,162, the Park Academy Fund has a deficit in unrestricted net position of \$4,610, and the Milestone Program has a deficit in unrestricted net position of \$509,624, which is due to liabilities and deferred inflows and outflows related to pensions. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

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

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

R. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

Fund balance restrictions have been established for excess surplus, capital reserve, maintenance reserve, and emergency reserve.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2020.

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

S. Net Position:

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

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

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

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

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

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

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

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and charges for services for transportation and administration in the various Enterprise Funds. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the Enterprise Funds.

V. Management Estimates:

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

W. Pensions:

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

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Credit Risk – The Board limits its investments to those authorized in its formal cash management plan which are those permitted under state statute as detailed below.

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

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject

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

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

Investments: (Cont'd)

to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

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

Investments: (Cont'd)

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

	Cash and Cash Equivalents	<u>Restricted Cash and Cash Equivalents</u>			<u>Total</u>
		<u>Capital</u>	<u>Maintenance</u>	<u>Emergency</u>	
Checking Accounts	<u>\$ 9,376,361</u>	<u>\$ 7,129,468</u>	<u>\$ 830,250</u>	<u>\$ 260,000</u>	<u>\$17,596,079</u>
	<u>\$ 9,376,361</u>	<u>\$ 7,129,468</u>	<u>\$ 830,250</u>	<u>\$ 260,000</u>	<u>\$17,596,079</u>

During the period ended June 30, 2020, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments, at June 30, 2020, was \$17,596,079 and the bank balance was \$19,457,062.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution by inclusion of \$1 in September 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a District 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 fiscal 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 by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 6,932,000
Interest Earnings	5,000
Deposit by Board Resolution	3,136,124
Unexpended Projects Returned	30,796
Budgeted Withdrawal	<u>(2,974,452)</u>
Ending Balance, June 30, 2020	<u>\$ 7,129,468</u>

The June 30, 2020 capital reserve account balance does not exceed the local support costs of uncompleted capital projects in the District's Long Range Facilities Plan ("LRFP"). The withdrawals from the capital reserve account were for use in facilities projects, consistent with the District's LRFP.

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

NOTE 5. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by Board resolution on June 20, 2011 by inclusion of \$250,000 for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the General Fund annual budget.

The emergency reserve is restricted to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1<sup>st</sup> and June 30<sup>th</sup> of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the emergency reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 258,750
Interest Earnings	<u>1,250</u>
Ending Balance, June 30, 2020	<u><u>\$ 260,000</u></u>

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$150,000 was established by Board resolution on June 27, 2012. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.



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

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 1,204,500
Interest Earnings	750
Less: Budgeted Withdrawal	<u>(375,000)</u>
Ending Balance, June 30, 2020	<u><u>\$ 830,250</u></u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ending June 30, 2020, the District transferred \$551,983 to the capital outlay accounts for equipment, which did not require County Superintendent approval.

NOTE 8. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 6,245,500			\$ 6,245,500
Construction in Progress	<u>6,371,162</u>	<u>\$ 3,549,102</u>	<u>\$ (342,167)</u>	<u>9,578,097</u>
Total Capital Assets Not Being Depreciated	<u>12,616,662</u>	<u>3,549,102</u>	<u>(342,167)</u>	<u>15,823,597</u>
Capital Assets Being Depreciated:				
Land Improvements	4,478,320			4,478,320
Buildings and Building Improvements	56,472,451	55,828	342,167	56,870,446
Machinery and Equipment	<u>7,613,852</u>	<u>430,533</u>		<u>8,044,385</u>
Total Capital Assets Being Depreciated	<u>68,564,623</u>	<u>486,361</u>	<u>342,167</u>	<u>69,393,151</u>
Governmental Activities Capital Assets	<u>81,181,285</u>	<u>4,035,463</u>		<u>85,216,748</u>
Less Accumulated Depreciation for:				
Land Improvements	(3,062,240)	(197,707)		(3,259,947)
Buildings and Building Improvements	(16,966,288)	(2,473,194)		(19,439,482)
Machinery and Equipment	<u>(7,241,282)</u>	<u>(41,453)</u>		<u>(7,282,735)</u>
	<u>(27,269,810)</u>	<u>(2,712,354)</u>		<u>(29,982,164)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 53,911,475</u></u>	<u><u>\$ 1,323,109</u></u>	<u><u>\$ - 0 -</u></u>	<u><u>\$ 55,234,584</u></u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 236,069	\$ 8,410		\$ 244,479
Less Accumulated Depreciation	<u>(164,445)</u>	<u>(3,310)</u>		<u>(167,755)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 71,624</u></u>	<u><u>\$ 5,100</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 76,724</u></u>

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

NOTE 8. CAPITAL ASSETS (Cont'd)

The \$3,549,102 addition to construction in progress is the result of the District's \$1,258,420 Capital Projects Fund expenditure, \$182,323 required maintenance for school facilities expenditure in the General Fund, and \$2,108,359 capital outlay expenditures in the General Fund.

The District had various active construction projects as of June 30, 2020. As of June 30, 2020, the District has \$1,164,243 in active construction projects including \$56,603 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 2,712,354
	\$ 2,712,354

NOTE 9. LONG-TERM LIABILITIES

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

	Balance 6/30/19	Added	Retired	Balance 6/30/20
Serial Bonds Payable	\$ 16,990,000		\$ 1,400,000	\$ 15,590,000
Unamortized Bond Issuance Premium	1,256,598		177,963	1,078,635
Net Pension Liability	14,258,820		1,206,228	13,052,592
Compensated Absences Payable	1,089,405	\$ 208,125	62,868	1,234,662
	\$ 33,594,823	\$ 208,125	\$ 2,847,059	\$ 30,955,889

A. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$177,963 and is separated from the long-term liability balance of \$900,672.

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2020 is \$1,450,000 and the long-term portion is \$14,140,000. Bonds are liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2020 as follows:

Purpose	Final Maturity	Interest Rate	Amount
School Refunding Bonds	08/15/2022	3.00%	\$ 4,520,000
School Refunding Bonds	08/15/2028	4.00%	11,070,000
			\$ 15,590,000

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

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

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,450,000	\$ 599,400	\$ 2,049,400
2022	1,505,000	556,650	2,061,650
2023	1,565,000	512,325	2,077,325
2024	1,650,000	466,275	2,116,275
2025	1,720,000	409,800	2,129,800
Thereafter:			
2026-2029	<u>7,700,000</u>	<u>974,800</u>	<u>8,674,800</u>
	<u>\$ 15,590,000</u>	<u>\$ 3,519,250</u>	<u>\$ 19,109,250</u>

C. Bonds Authorized But Not Issued:

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

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences is \$1,234,662. The current portion of this liability is -\$0-.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the proprietary funds. Compensated absences are liquidated by the related fund, in this case the general fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund, Park Academy Enterprise Fund, Milestone Program Enterprise Fund, and the Region II Transportation Enterprise Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$13,052,592. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

Substantially all of the Board's employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS):

Plan Description

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Plan Description (Cont'd)

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$650,919 for 2020.

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

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

At June 30, 2020, the District's liability was \$13,052,592 for its proportionate share of the net pension liability.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 10. PENSION PLANS (Cont'd)

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

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.072%, which was an increase of 0.000% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized actual pension expense in the amount of \$704,628. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 34,495	
	2015	5.72	213,292	
	2016	5.57	1,055,562	
	2017	5.48		\$ (1,873,747)
	2018	5.63		(1,514,160)
	2019	5.21		(1,142,607)
				<u>1,303,349</u>
Changes in Proportion	2014	6.44	25,453	
	2015	5.72	65,361	
	2016	5.57	30,021	
	2017	5.48	153,726	
	2018	5.63	358,604	
	2019	5.21	3,958	
				<u>637,123</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		240,914
	2017	5.00		(289,113)
	2018	5.00		(201,101)
	2019	5.00		43,259
				<u>(206,041)</u>
Difference Between Expected and Actual Experience	2015	5.72	59,175	
	2016	5.57	32,033	
	2017	5.48	55,726	
	2018	5.63		(57,660)
	2019	5.21	87,341	
			<u>234,275</u>	<u>(57,660)</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	827,942	
			<u>\$ 3,002,689</u>	<u>\$ (4,794,215)</u>

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 10. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2020	\$ (376,899)
2021	(1,222,654)
2022	(1,091,759)
2023	(512,640)
2024	(52,638)
	\$ (3,256,590)

Actuarial Assumptions

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

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

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2019		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 16,602,244	\$ 13,052,592	\$ 10,228,825

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at: [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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



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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$4,392,753 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$7,219,186.

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$122,395,036. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.199%, which was an decrease of 0.001% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>122,395,036</u>
Total	<u>\$ 122,395,036</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$7,219,186 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

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

Actuarial Assumptions

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

Inflation Rate	
Price	2.25%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.55% based on years of service
Thereafter	2.00 – 5.45% based on years of service
Investment Rate of Return	7.00%

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

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	June 30, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net			
Pension Liability Associated with the District	\$ 144,330,837	\$ 122,395,036	\$ 104,195,247

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP):

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

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

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

For DCRP, the District recognized pension expense of \$15,426 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$16,972 for the year ended June 30, 2020.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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(Continued)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

New Jersey Unemployment Compensation Insurance

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

The following is a summary of District contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ -0-		\$ 41,421	\$ 18,639	\$ 143,325
2018-2019	-0-		42,232	30,826	120,543
2017-2018	-0-	\$ 534	46,931	35,653	109,137

Property and Liability Insurance

The District is a member of the Northeast Bergen School Board Insurance Group (“NESBIG”) and maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

NESBIG provides general liability, property and automobile coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. NESBIG is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for NESBIG are elected.

As a member of NESBIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of NESBIG were to be exhausted, members would become responsible for their respective shares of the liabilities. NESBIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

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

NOTE 11. RISK MANAGEMENT (Cont'd)

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

Total Assets	\$ 32,441,723
Net Position	\$ 19,557,163
Total Revenue	\$ 14,472,107
Total Expenses	\$ 11,208,523
Change in Net Position	\$ 3,263,584
Member Dividends	\$ 1,860,981

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

Burton Agency  
44 Bergen Street  
PO Box 270  
Westwood, NJ 07675  
(201) 664-0310

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The Board is periodically involved in lawsuits arising in the normal course of business, including claims regarding special education, disputes over contract awards and performance, and employment matters. The Board does not believe that the ultimate outcome of these cases will have a material negative effect on the District's financial position.

Grant Programs

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

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds.

Governmental Funds			
General	Special Revenue	Capital Capital Projects	Total Governmental Funds
\$ 1,984,513	\$ 64,536	\$ 56,603	\$ 2,105,652

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

NOTE 12. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances (Cont'd)

On the District's Governmental Fund Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$64,536 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$56,603 of year-end encumbrances in the Capital Projects Fund are included in the committed fund balance on a GAAP basis at June 30, 2020.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances existed at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,286,140	\$ 7,335
Capital Projects Fund		14,993
Proprietary Funds - Transportation - Region II		781,163
Proprietary Funds - Food Service Fund		90,000
Proprietary Funds - Park Academy	7,335	
Proprietary Funds -Milestone Program		382,320
Fiduciary Funds - Payroll Agency		17,664
	<u>\$ 1,293,475</u>	<u>\$ 1,293,475</u>

The General Fund interfund receivable consists of interest earnings due from the Capital Projects Fund; monies loaned to the Proprietary Funds (Transportation, Food Service, and Milestone Program) to meet short-term cash flow needs as the Proprietary Funds have outstanding receivables at fiscal year end; and monies due from the Agency Fund (Payroll Net) for old unidentified balances. The interfund payable in the General Fund is for an interfund advance which was not transferred to Park Academy fund by year end.

NOTE 14. DEFERRED COMPENSATION

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

Oldham Resource Group	AXA-Equitable
MetLife	The Legend Group
Vanguard	Variable Annuity Life Insurance Company



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

NOTE 15. TAX CALENDAR

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

Taxes are collected by the constituent municipalities and are remitted to the District on a predetermined mutually agreed-upon schedule.

NOTE 16. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2020:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>				<u>Total Proprietary Funds</u>
Vendors	\$ 279,685				\$ 279,685		\$ 45,985
State of NJ		\$ 125,888		\$ 765,204	891,092	\$ 62,738	62,738
	<u>\$ 279,685</u>	<u>\$ 125,888</u>	<u>\$ -0-</u>	<u>\$ 765,204</u>	<u>\$ 1,170,777</u>	<u>\$ 62,738</u>	<u>\$ 108,723</u>

NOTE 17. ECONOMIC DEPENDENCY

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

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50.

GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

(Continued)

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
General Information about the OPEB Plan (Cont'd)

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

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

Employees Covered by Benefit Terms

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

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

Total Nonemployer OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%
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PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
General Information about the OPEB Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
General Information about the OPEB Plan (Cont'd)

Changes in the State's Proportionate Share of the Total OPEB Liability Attributable to the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 80,540,352
Changes for Year:	
Service Cost	2,725,923
Interest on the Total OPEB Liability	2,948,209
Changes of Assumptions	(8,198,432)
Differences between Expected and Actual Experience	(4,728,801)
Gross Benefit Payments by the State	(1,910,358)
Contributions from Members	66,025
Net Changes	(9,097,434)
Balance at June 30, 2018	\$ 71,442,918

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

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

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 84,460,072	\$ 71,442,918	\$ 61,095,624

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

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

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

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
General Information about the OPEB Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018 and 2016, respectively, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 59,051,733	\$ 71,442,918	\$ 87,830,735

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$3,247,198 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (8,677,948)
Changes in Assumptions	2018	9.51		(7,336,347)
			-0-	(16,014,295)
Differences Between Expected and Actual Experience	2018	9.51		(6,935,131)
Changes in Proportion	N/A	N/A	\$ 2,569,555	(40,387)
			\$ 2,569,555	\$ (22,989,813)

N/A - Not Available

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

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

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
General Information about the OPEB Plan (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ (2,827,946)
2020	(2,827,946)
2021	(2,827,946)
2022	(2,827,946)
2023	(2,827,946)
Thereafter	(8,809,696)
	\$ (22,949,426)

NOTE 19: SUBSEQUENT EVENT

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

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

The COVID-19 pandemic required the early closure of the school district causing overall decreases in revenues and expenses in all enterprise funds.

**SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION**

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

	Fiscal Year Ending June 30.					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0651608925%	0.0678582550%	0.0683943911%	0.0699524789%	0.0724183890%	0.0724400187%
District's proportionate share of the net pension liability	\$ 12,080,929	\$ 15,232,818	\$ 20,256,456	\$ 16,283,819	\$ 14,258,820	\$ 13,052,592
District's covered employee payroll	\$ 4,617,790	\$ 4,699,693	\$ 4,775,762	\$ 5,018,780	6,137,099	5,631,851
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.62%	324.12%	424.15%	324.46%	232.34%	231.76%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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



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

	Fiscal Year Ending June 30.					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 537,177	\$ 538,329	\$ 567,557	\$ 610,892	\$ 671,306	\$ 650,919
Contributions in relation to the contractually required contribution	(537,177)	(538,329)	(567,557)	(610,892)	(671,306)	(650,919)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,651,316	\$ 4,617,790	\$ 4,699,693	\$ 4,775,762	\$ 5,018,780	\$ 6,137,099
Contributions as a percentage of covered employee payroll	11.55%	11.66%	12.08%	12.79%	13.38%	10.61%

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

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.1868945847%	0.1849861808%	0.1884997318%	0.1941586831%	0.2005169238%	0.1994348243%
State's proportionate share of the net pension liability attributable to the District	\$ 99,889,073	\$ 116,919,166	\$ 148,285,854	\$ 130,908,794	\$ 127,564,556	\$ 122,395,036
District's covered employee payroll	\$ 19,161,369	\$ 19,161,369	\$ 19,640,775	\$ 20,425,197	\$ 20,961,007	\$ 22,000,991
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	521.30%	610.18%	754.99%	640.92%	608.58%	556.32%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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

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

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 727,021	\$ 5,374,970	\$ 11,141,619	\$ 9,068,698	\$ 7,436,568	\$ 7,219,186
Contributions in relation to the contractually required contribution	(727,021)	(1,000,103)	(2,107,542)	(2,952,906)	(3,922,401)	(4,392,753)
Contribution deficiency/(excess)	\$ -0-	\$ 4,374,867	\$ 9,034,077	\$ 6,115,792	\$ 3,514,167	\$ 2,826,433
District's covered employee payroll	\$ 19,161,369	\$ 19,640,775	\$ 20,425,197	\$ 20,961,007	\$ 22,000,991	\$ 22,581,441
Contributions as a percentage of covered employee payroll	3.79%	5.09%	10.32%	14.09%	17.83%	19.45%

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FISCAL YEAR

	Fiscal Years Ending	
	2017	2018
Total OPEB Liability		
Service Cost	\$ 3,282,360	\$ 2,725,923
Interest on the Total OPEB Liability	2,544,558	2,948,209
Changes of Assumptions	(10,382,227)	(8,198,432)
Differences between Expected and Actual Experience		(4,728,801)
Gross Benefit Payments by the State	68,692	66,025
Contributions from Members	(1,865,485)	(1,910,358)
Net Change in Total OPEB Liability	(6,352,102)	(9,097,434)
Total OPEB Liability - Beginning	86,892,454	80,540,352
Total OPEB Liability - Ending	\$ 80,540,352	\$ 71,442,918
District's Covered Employee Payroll *	\$ 28,138,090	\$ 28,138,090
Total OPEB Liability as a Percentage of Covered Employee Payroll	286%	254%

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

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

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

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

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

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

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

B.TEACHERS' PENSION AND ANNUITY FUND

Changes of Actuarial Assumptions (Cont'd)

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

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

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

Changes of Actuarial Assumptions (Cont'd)

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

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

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

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

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

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

**BUDGETARY COMPARISON SCHEDULES**



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 49,577,550		\$ 49,577,550	\$ 49,577,550	
Tuition from Individuals			22,565	22,565	22,565
Tuition from LEAS Within State	645,570		645,570	706,381	60,811
Interest Earned on Emergency Reserve Funds	1,250		1,250	1,250	
Interest Earned on Capital Reserve Funds	5,000		5,000	5,000	
Interest Earned on Maintenance Reserve	750		750	750	
Miscellaneous	180,000		180,000	582,510	402,510
<b>Total - Local Sources</b>	<b>50,410,120</b>		<b>50,410,120</b>	<b>50,896,006</b>	<b>485,886</b>
State Sources:					
Special Education Categorical Aid	1,165,749		1,165,749	1,165,749	
Security Aid	35,828		35,828	35,828	
Transportation Aid	363,359		363,359	363,359	
Extraordinary Special Education Costs Aid				956,863	956,863
On-Behalf TPAF Post Retirement Contributions				1,658,840	1,658,840
On-Behalf TPAF Pension Contributions				4,392,753	4,392,753
On-Behalf TPAF Non-Contributory Insurance				78,735	78,735
On-Behalf TPAF Long-Term Disability Insurance				2,652	2,652
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,588,230	1,588,230
<b>Total State Sources</b>	<b>1,564,936</b>		<b>1,564,936</b>	<b>10,243,009</b>	<b>8,678,073</b>
Federal Sources:					
Medicaid Reimbursemt	14,394		14,394		(14,394)
<b>Total Federal Sources</b>	<b>14,394</b>		<b>14,394</b>		<b>(14,394)</b>
<b>TOTAL REVENUES</b>	<b>51,989,450</b>		<b>51,989,450</b>	<b>61,139,015</b>	<b>9,149,565</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 14,846,680	\$ (180,512)	\$ 14,666,168	\$ 14,400,570	\$ 265,598
Regular Programs - Home Instruction:					
Salaries of Teachers	103,000	(13,000)	90,000	41,122	48,878
Purchased Professional - Educational Services	15,000	22,000	37,000	29,637	7,363
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	339,154	1,401	340,555	340,554	1
Other Purchased Services (400-500 series)	2,151,800	(156,418)	1,995,382	1,614,131	381,251
General Supplies	526,163	(64,553)	461,610	380,749	80,861
Textbooks	69,450	3,954	73,404	55,580	17,824
Other Objects	52,640	29,458	82,098	33,191	48,907
<b>Total Regular Programs - Instruction</b>	<b>18,103,887</b>	<b>(357,670)</b>	<b>17,746,217</b>	<b>16,895,534</b>	<b>850,683</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	346,325	87,005	433,330	433,330	
Other Salaries for Instruction	334,872	(13,983)	320,889	288,271	32,618
General Supplies	6,394	1,214	7,608	4,764	2,844
Textbooks	1,997	(1,214)	783	783	
<b>Total Learning and/or Language Disabilities</b>	<b>689,588</b>	<b>73,022</b>	<b>762,610</b>	<b>727,148</b>	<b>35,462</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Special Education - Instruction: (Cont'd)					
Behavioral Disabilities:					
Salaries of Teachers	\$ 568,110	\$ (10,696)	\$ 557,414	\$ 557,414	
Other Salaries for Instruction	115,567	(20,038)	95,529	95,529	
General Supplies	4,526	(75)	4,451	2,781	\$ 1,670
Textbooks	300	75	375	305	70
<b>Total Behavioral Disabilities</b>	<b>688,503</b>	<b>(30,734)</b>	<b>657,769</b>	<b>656,029</b>	<b>1,740</b>
Resource Room/Resource Center:					
Salaries of Teachers	1,667,437	48,803	1,716,240	1,716,240	
Other Salaries for Instruction	319,421	9,807	329,228	329,228	
General Supplies	2,700	(95)	2,605	1,622	983
Textbooks	1,000		1,000	244	756
<b>Total Resource Room/Resource Center</b>	<b>1,990,558</b>	<b>58,515</b>	<b>2,049,073</b>	<b>2,047,334</b>	<b>1,739</b>
Home Instruction:					
Salaries of Teachers	26,000		26,000	8,333	17,667
Purchased Professional - Educational Services	20,000		20,000	13,150	6,850
<b>Total Home Instruction</b>	<b>46,000</b>		<b>46,000</b>	<b>21,483</b>	<b>24,517</b>
<b>Total Special Education Instruction</b>	<b>3,414,649</b>	<b>100,803</b>	<b>3,515,452</b>	<b>3,451,994</b>	<b>63,458</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 21,600		\$ 21,600	21,600	
Total Bilingual Education - Instruction	<u>21,600</u>		<u>21,600</u>	<u>21,600</u>	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	422,000		422,000	394,990	\$ 27,010
Purchased Services (300-500 series)	11,650		11,650	3,380	8,270
Supplies and Materials	56,675	\$ 2,800.00	59,475	32,509	26,966
Other Objects	47,325		47,325	12,415	34,910
Total School-Sponsored Cocurricular Activities - Instruction	<u>537,650</u>	<u>2,800</u>	<u>540,450</u>	<u>443,294</u>	<u>97,156</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	1,114,428	24,722	1,139,150	1,073,203	65,947
Purchased Services (300-500 series)	368,037	(3,051)	364,986	349,560	15,426
Supplies and Materials	130,976	16,562	147,538	140,979	6,559
Other Objects	93,115	(15,626)	77,489	66,423	11,066
Total School-Sponsored Cocurricular Athletics - Instruction	<u>1,706,556</u>	<u>22,607</u>	<u>1,729,163</u>	<u>1,630,165</u>	<u>98,998</u>
Total Instruction	<u>23,784,342</u>	<u>(231,460)</u>	<u>23,552,882</u>	<u>22,442,587</u>	<u>1,110,295</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	\$ 337,837	\$ 50,000	\$ 387,837	\$ 384,403	\$ 3,434
Tuition to County Vocational Schools - Regular	1,065,890	240,853	1,306,743	859,138	447,605
Tuition to County Vocational Schools - Special	85,992	38,000	123,992	111,121	12,871
Tuition to County Special Services Schools and Regional Day Schools	577,440		577,440	572,440	5,000
Tuition to Private Schools for the Disabled - Within the State	1,996,528	321,853	2,318,381	1,863,089	455,292
Outside the State	247,158	25,000	272,158	238,708	33,450
Tuition - Other	297,389	(25,000)	272,389	215,373	57,016
Total Undistributed Expenditures - Instruction	<u>4,608,234</u>	<u>650,706</u>	<u>5,258,940</u>	<u>4,244,272</u>	<u>1,014,668</u>
Attendance and Social Work Services:					
Salaries	53,796	1,488	55,284	55,284	
Purchased Professional and Technical Services	40,000		40,000	40,000	
Total Attendance and Social Work Services	<u>93,796</u>	<u>1,488</u>	<u>95,284</u>	<u>95,284</u>	
Health Services:					
Salaries	293,065	(11,784)	281,281	281,281	
Other Purchased Services (400-500 series)	41,770	23,720	65,490	48,131	17,359
Supplies and Materials	28,762		28,762	23,413	5,349
Total Health Services	<u>363,597</u>	<u>11,936</u>	<u>375,533</u>	<u>352,825</u>	<u>22,708</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	\$ 133,524	\$ 4,000	\$ 137,524	\$ 82,188	\$ 55,336
Total Speech, OT, PT and Related Services	<u>133,524</u>	<u>4,000</u>	<u>137,524</u>	<u>82,188</u>	<u>55,336</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	38,053		38,053	38,053	
Purchased Professional - Educational Services	748,392	(2,195)	746,197	536,675	209,522
Total Other Support Services - Students - Extraordinary Services	<u>786,445</u>	<u>(2,195)</u>	<u>784,250</u>	<u>574,728</u>	<u>209,522</u>
Guidance:					
Salaries of Other Professional Staff	1,494,600	14,952	1,509,552	1,482,243	27,309
Salaries of Secretarial and Clerical Assistants	248,508	4,896	253,404	253,404	
Other Purchased Services (400-500 series)	16,475		16,475	4,639	11,836
Supplies and Materials	10,450		10,450	5,207	5,243
Other Objects	32,100		32,100	26,212	5,888
Total Guidance	<u>1,802,133</u>	<u>19,848</u>	<u>1,821,981</u>	<u>1,771,705</u>	<u>50,276</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 776,785	\$ 6,483	\$ 783,268	\$ 771,478	\$ 11,790
Salaries of Secretarial and Clerical Assistants	129,108	(1,800)	127,308	127,308	
Purchased Professional - Educational Services	110,100		110,100	105,240	4,860
Supplies and Materials	13,850		13,850	6,030	7,820
Other Supplies	12,500		12,500	1,704	10,796
Total Child Study Teams	<u>1,042,343</u>	<u>4,683</u>	<u>1,047,026</u>	<u>1,011,760</u>	<u>35,266</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,403,595	10,782	1,414,377	1,414,377	
Salaries of Secretarial and Clerical Assistants	50,410	1,915	52,325	50,295	2,030
Salaries of Facilitators, Math & Literacy Coaches	82,216		82,216	27,296	54,920
Other Purchased Services (400-500 series)	37,970		37,970	10,696	27,274
Other Objects	13,648		13,648	11,004	2,644
Total Improvement of Instructional Services	<u>1,587,839</u>	<u>12,697</u>	<u>1,600,536</u>	<u>1,513,668</u>	<u>86,868</u>
Educational Media Services/School Library:					
Salaries	321,401	4,355	325,756	325,756	
Purchased Professional and Technical Services	4,300		4,300	4,182	118
Supplies and Materials	48,945	3,244	52,189	50,997	1,192
Total Educational Media Services/School Library	<u>374,646</u>	<u>7,599</u>	<u>382,245</u>	<u>380,935</u>	<u>1,310</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 190,108	\$ 3,961	\$ 194,069	\$ 194,069	
Salaries of Other Professional Staff	53,804		53,804	17,490	\$ 36,314
Salaries of Secretarial and Clerical Assistants	63,804		63,804	63,804	
Purchased Professional - Educational Services	104,330	2,542	106,872	88,590	18,282
Other Purchased Services (400-500 series)	58,030	(3,961)	54,069	15,869	38,200
Supplies and Materials	10,000		10,000	3,350	6,650
Other Objects	55,906	5,000	60,906	28,593	32,313
Total Instructional Staff Training Services	<u>535,982</u>	<u>7,542</u>	<u>543,524</u>	<u>411,765</u>	<u>131,759</u>
Support Services - General Administration:					
Salaries	528,791	7,457	536,248	536,248	
Legal Services	70,000	(8,928)	61,072	48,430	12,642
Audit Fees	50,000	(5,009)	44,991	40,782	4,209
Architectural/Engineering Services	141,198	30,129	171,327	141,443	29,884
Other Purchased Professional Services	3,500		3,500	3,500	
Communications/Telephone	36,000	350	36,350	34,868	1,482
BOE Other Purchased Services	11,000		11,000	2,627	8,373
Miscellaneous Purchased Services (400-500 series)	96,650	(9,700)	86,950	67,289	19,661
General Supplies	6,000	(3,103)	2,897		2,897
Miscellaneous Expenditures	168,294	(13,805)	154,489	132,328	22,161
BOE Membership Dues and Fees	22,000		22,000	16,781	5,219
Total Support Services - General Administration	<u>1,133,433</u>	<u>(2,609)</u>	<u>1,130,824</u>	<u>1,020,796</u>	<u>110,028</u>



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 1,040,679	\$ (16,230)	\$ 1,024,449	\$ 1,005,595	\$ 18,854
Salaries of Secretarial and Clerical Assistants	306,868	5,231	312,099	312,099	
Other Purchased Services (400-500 series)	28,400	1,577	29,977	18,611	11,366
Supplies and Materials	17,025		17,025	5,767	11,258
Other Objects	1,050		1,050	480	570
Total Support Services - School Administration	<u>1,394,022</u>	<u>(9,422)</u>	<u>1,384,600</u>	<u>1,342,552</u>	<u>42,048</u>
Central Services:					
Salaries	618,239		618,239	598,144	20,095
Purchased Professional Services	25,558	(2,745)	22,813	12,748	10,065
Purchased Technical Services	14,000		14,000	11,640	2,360
Miscellaneous Purchased Services (400-500 series)	20,500	(12,577)	7,923	5,044	2,879
Supplies and Materials	8,500		8,500	6,470	2,030
Miscellaneous Expenditures	12,155		12,155	7,390	4,765
Total Central Services	<u>698,952</u>	<u>(15,322)</u>	<u>683,630</u>	<u>641,436</u>	<u>42,194</u>
Administration Information Technology:					
Salaries	282,306		282,306	281,099	1,207
Other Purchased Services (400-500 series)	21,100		21,100	20,956	144
Supplies and Materials	43,000	(2,500)	40,500	36,329	4,171
Total Administration Information Technology	<u>346,406</u>	<u>(2,500)</u>	<u>343,906</u>	<u>338,384</u>	<u>5,522</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Required Maintenance for School Facilities:					
Salaries	\$ 604,746	\$ 18,109	\$ 622,855	\$ 622,855	
Cleaning, Repair and Maintenance Services	1,673,347	(81,254)	1,592,093	999,505	\$ 592,588
General Supplies	114,060	31,543	145,603	142,254	3,349
Total Required Maintenance for School Facilities	<u>2,392,153</u>	<u>(31,602)</u>	<u>2,360,551</u>	<u>1,764,614</u>	<u>595,937</u>
Custodial Services:					
Salaries	1,682,703	18,522	1,701,225	1,698,098	3,127
Purchased Professional and Technical Services	50,000	(23,390)	26,610	16,830	9,780
Cleaning, Repair and Maintenance Services	51,540	(1,533)	50,007	38,225	11,782
Rental of Land and Building	126,317	233	126,550	122,342	4,208
Other Purchased Property Services	67,500		67,500	49,358	18,142
Insurance	218,000	3,681	221,681	218,551	3,130
Miscellaneous Purchased Services	175,542	43,340	218,882	210,197	8,685
General Supplies	103,477	(7,800)	95,677	94,023	1,654
Energy (Natural Gas)	265,000	(7,000)	258,000	192,060	65,940
Energy (Electricity)	602,174	(23,574)	578,600	460,122	118,478
Other Objects	19,880	3,000	22,880	20,470	2,410
Total Custodial Services	<u>3,362,133</u>	<u>5,479</u>	<u>3,367,612</u>	<u>3,120,276</u>	<u>247,336</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Care & Upkeep of Grounds:					
Salaries	\$ 63,994	\$ 229	\$ 64,223	\$ 64,223	
Cleaning, Repair and Maintenance Services	98,520	(871)	97,649	97,626	\$ 23
General Supplies	31,302	(8,675)	22,627	19,030	3,597
Total Care & Upkeep of Grounds	193,816	(9,317)	184,499	180,879	3,620
Security:					
Purchased Professional and Technical Services	302,982	17,000	319,982	310,941	9,041
Cleaning, Repair and Maintenance Services	37,700	(7,694)	30,006	11,877	18,129
General Supplies	15,000		15,000	6,750	8,250
Total Security	355,682	9,306	364,988	329,568	35,420
Student Transportation Services:					
Salaries of Non-Instructional Aides	12,500	(12,500)			
Salaries for Pupil Transportation:					
Between Home and School - Regular	71,181	150	71,331	71,331	
Cleaning, Repair and Maintenance Services	6,000		6,000		6,000
Contracted Services:					
Between Home and School - Vendors	654,998	(134,600)	520,398	468,173	52,225
Other Than Between Home and School - Vendors	403,495	3,600	407,095	281,519	125,576
Special Education Students - Joint Agreements	835,847	85,000	920,847	905,918	14,929
Aid in Lieu - Nonpublic Students	142,000	46,000	188,000	94,319	93,681
Other Objects	800		800		800
Total Student Transportation Services	2,126,821	(12,350)	2,114,471	1,821,260	293,211

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Undistributed Expenditures:					
Unallocated Benefits:					
Social Security Contributions	\$ 664,921		\$ 664,921	\$ 607,517	\$ 57,404
Other Retirement Contributions - PERS	792,619	(5,426)	787,193	650,919	136,274
Other Retirement Contributions - Regular	10,000	5,426	15,426	15,426	
Workmen's Compensation	200,000		200,000	124,766	75,234
Health Benefits	6,096,670	(4,000)	6,092,670	5,249,491	843,179
Tuition Reimbursement	55,000	1,800	56,800	55,917	883
Other Employee Benefits	183,897		183,897	124,213	59,684
Unused Sick Payment to Terminated/Retired Staff	75,000		75,000	60,138	14,862
<b>Total Unallocated Benefits</b>	<b>8,078,107</b>	<b>(2,200)</b>	<b>8,075,907</b>	<b>6,888,387</b>	<b>1,187,520</b>
On-Behalf Contributions:					
On-Behalf TPAF Post Retirement Contributions				1,658,840	(1,658,840)
On-Behalf TPAF Pension Contributions				4,392,753	(4,392,753)
On-Behalf TPAF Non-Contributory Insurance				78,735	(78,735)
On-Behalf TPAF Long-Term Disability Insurance				2,652	(2,652)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,588,230	(1,588,230)
<b>Total On-Behalf Contributions</b>				<b>7,721,210</b>	<b>(7,721,210)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>8,078,107</b>	<b>(2,200)</b>	<b>8,075,907</b>	<b>14,609,597</b>	<b>(6,533,690)</b>
<b>Total Undistributed Expenses</b>	<b>31,410,064</b>	<b>647,767</b>	<b>32,057,831</b>	<b>35,608,492</b>	<b>(3,550,661)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>55,194,406</b>	<b>416,307</b>	<b>55,610,713</b>	<b>58,051,079</b>	<b>(2,440,366)</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 31,770	2,950	2,950	2,950	
School-Sponsored and Other Instructional Programs		5,690	37,460	23,384	\$ 14,076
Undistributed Expenditures:					
Instruction		2,195	2,195	2,195	
Central Services		2,745	2,745		2,745
Administrative Information Technology		197,506	197,506	197,506	
Required Maintenance for School Facilities		25,554	25,554	25,554	
Security		311,768.0	311,768	270,410	41,358
Care and Upkeep of Grounds	21,000	2,475	23,475	7,672	15,803
Student Transportation - Non Instruction	24,281	1,100	25,381	25,381	
Total Equipment	77,051	551,983	629,034	555,052	73,982
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	64,732	57,950	122,682	109,568	13,114
Construction Services	3,791,602	(369,986)	3,421,616	1,884,998	1,536,618
Supplies and Materials	96,340	17,453	113,793	113,793	
Assessment for Debt Service on SDA Funding	106,363		106,363	106,363	
Total Facilities Acquisition and Construction Services	4,059,037	(294,583)	3,764,454	2,214,722	1,549,732
<b>TOTAL CAPITAL OUTLAY</b>	4,136,088	257,400	4,393,488	2,769,774	1,623,714
<b>TOTAL EXPENDITURES</b>	59,330,494	673,707	60,004,201	60,820,853	(816,652)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(7,341,044)	(673,707)	(8,014,751)	318,162	8,332,913

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Financing Sources/(Uses):					
Transfers In/(Out):					
Capital Projects Fund - Interest Earned				\$ 14,993	\$ 14,993
Transfers Out:					
Transfer to Capital Projects Fund from Capital Outlay	\$ (774,202)		\$ (774,202)	(774,202)	
Total Other Financing Sources/(Uses)	<u>(774,202)</u>		<u>(774,202)</u>	<u>(759,209)</u>	<u>14,993</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing (Uses)	(8,115,246)	\$ (673,707)	(8,788,953)	(441,047)	8,347,906
Fund Balance, July 1	17,240,144		17,240,144	17,240,144	
Fund Balance, June 30	<u>\$ 9,124,898</u>	<u>\$ (673,707)</u>	<u>\$ 8,451,191</u>	<u>\$ 16,799,097</u>	<u>\$ 8,347,906</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				2,205,263	
Excess Surplus - Subsequent Year's Expenditures				2,355,263	
Capital Reserve				7,129,468	
Maintenance Reserve				830,250	
Emergency Reserve				260,000	
Assigned Fund Balance:					
Year-End Encumbrances				1,984,513	
Unassigned Fund Balance				2,034,340	
Fund Balance per Governmental Funds (Budgetary)				<u>16,799,097</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
June State Aid Payments not Recognized on GAAP Basis				(96,679)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 16,702,418</u>	

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 393,710	\$ 104,784	\$ 498,494	\$ 488,348	\$ (10,146)
State Sources	289,123	133,201	422,324	321,079	(101,245)
Local Sources		79,767	79,767	60,000	(19,767)
<b>Total Revenues</b>	<b>682,833</b>	<b>317,752</b>	<b>1,000,585</b>	<b>869,427</b>	<b>(131,158)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Purchased Professional/Technical Services		18,099	18,099	16,513	1,586
Tuition	362,190	26,072	388,262	388,262	
General Supplies	21,470	9,293	30,763	30,608	155
Textbooks	19,336	2,170	21,506	3,072	18,434
<b>Total Instruction</b>	<b>402,996</b>	<b>55,634</b>	<b>458,630</b>	<b>438,455</b>	<b>20,175</b>
<b>Support Services:</b>					
Salaries	23,510	(23,510)			
Purchased Professional/Educational Services	219,877	127,568	347,445	296,122	51,323
Supplies and Materials	36,450	158,060	194,510	134,850	59,660
<b>Total Support Services</b>	<b>279,837</b>	<b>262,118</b>	<b>541,955</b>	<b>430,972</b>	<b>110,983</b>
<b>Total Expenditures</b>	<b>682,833</b>	<b>317,752</b>	<b>1,000,585</b>	<b>869,427</b>	<b>131,158</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 61,139,015	\$ 869,427
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not:		
Prior Year Encumbrances		39,893
Current Year Encumbrances		(64,536)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	89,367	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(96,679)	
	<u>\$ 61,131,703</u>	<u>\$ 844,784</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 60,820,853	\$ 869,427
Differences - Budgetary to GAAP:		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		39,893
Current Year Encumbrances		(64,536)
	<u>\$ 60,820,853</u>	<u>\$ 844,784</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		



PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Unaudited)

Budgets/Budgetary Control:

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

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

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

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

**SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)**

**SPECIAL REVENUE FUND**

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

	Elementary and Secondary Education Act Title II, Part A	Title IV	IDEA Part B, Basic Regular
REVENUE:			
Federal Sources	22,588	9,998	455,762
State Sources			
Local Sources			
Total Revenue	22,588	9,998	455,762
EXPENDITURES:			
Instruction:			
Purchased Professional/Technical Services	16,513		
Tuition			388,262
General Supplies	6,075	9,998	
Textbooks			
Total Instruction	22,588	9,998	388,262
Support Services:			
Purchased Professional/Educational Services			67,500
Supplies and Materials			
Total Support Services			67,500
Total Expenditures	22,588	9,998	455,762

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

		NJ Nonpublic			
		Auxiliary Services (Chapter 192)		Handicapped Services (Chapter 193)	
		Compensatory Education	Home Instruction	Security Aid	Supplementary Instruction
REVENUE:					
Federal Sources					
State Sources	\$	86,312	\$ 1,301	\$ 74,850	\$ 43,389
Local Sources					
Total Revenue		86,312	1,301	74,850	43,389
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services					
Tuition					
General Supplies					
Textbooks					
Total Instruction					
Support Services:					
Purchased Professional/Educational Services		86,312	1,301	74,850	43,389
Supplies and Materials					
Total Support Services		86,312	1,301	74,850	43,389
Total Expenditures	\$	\$ 86,312	\$ 1,301	\$ 74,850	\$ 43,389

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

		NJ Nonpublic			
		Handicapped Services (Chapter 193)			
	Examination and Classification	Corrective Speech	Nursing Services	Technology Initiative	
REVENUE:					
Federal Sources					
State Sources	\$ 47,030	\$ 2,187	\$ 48,403		\$ 14,535
Local Sources					
Total Revenue	47,030	2,187	48,403		14,535
EXPENDITURES:					
Instruction:					
Purchased Professional/Technical Services					
Tuition					
General Supplies					14,535
Textbooks					
Total Instruction					14,535
Support Services:					
Purchased Professional/Educational Services	47,030	2,187	48,403		
Supplies and Materials					
Total Support Services	47,030	2,187	48,403		
Total Expenditures	\$ 47,030	\$ 2,187	\$ 48,403		\$ 14,535

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

	<u>NJ Nonpublic</u>		
	<u>Textbooks</u>	<u>Other Local Grants</u>	<u>Totals June 30, 2020</u>
<b>REVENUE:</b>			
Federal Sources		\$	488,348
State Sources	3,072		321,079
Local Sources		\$ 60,000	60,000
<b>Total Revenue</b>	<b>3,072</b>	<b>60,000</b>	<b>869,427</b>
<b>EXPENDITURES:</b>			
Instruction:			
Purchased Professional/Technical Services			16,513
Tuition			388,262
General Supplies			30,608
Textbooks	3,072		3,072
<b>Total Instruction</b>	<b>3,072</b>		<b>438,455</b>
Support Services:			
Purchased Professional/Educational Services		60,000	296,122
Supplies and Materials		60,000	134,850
<b>Total Support Services</b>		<b>60,000</b>	<b>430,972</b>
<b>Total Expenditures</b>	<b>3,072</b>	<b>\$ 60,000</b>	<b>\$ 869,427</b>

**CAPITAL PROJECTS FUND**



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

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ (92,456)
Transfer from Capital Outlay	774,202
Interest Revenue	14,993
Total Revenue and Other Financing Sources	<u>696,739</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	8,125
Construction Services	1,250,295
Transfers Out:	
General Fund - Interest Earned	14,993
Total Expenditures and Other Financing Uses	<u>1,273,413</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(576,674)
Fund Balance - Beginning	<u>1,740,918</u>
Fund Balance - Ending	<u><u>\$ 1,164,244</u></u>
Recapitulation:	
Committed Fund Balance	\$ 1,107,641
Committed Fund Balance - Year End Encumbrances	56,603
Fund Balance per Governmental Funds (Budgetary/GAAP)	<u><u>\$ 1,164,244</u></u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
A WING WINDOW REPLACEMENT AT PASCACK HILLS HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 284,376	\$ (77,146)	\$ 207,230	\$ 284,376
Transfer from Capital Reserve	426,564		426,564	426,564
Total Revenue and Other Financing Sources	<u>710,940</u>	<u>(77,146)</u>	<u>633,794</u>	<u>710,940</u>
Expenditures:				
Legal Services	969		969	2,500
Purchased Professional and Technical Services	37,517		37,517	72,640
Construction Services	479,588		479,588	635,800
Total Expenditures	<u>518,074</u>		<u>518,074</u>	<u>710,940</u>
Transfer to A-Wing HVAC Controls Update	<u>(82,160)</u>		<u>(82,160)</u>	
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 110,706</u>	<u>\$ (77,146)</u>	<u>\$ 33,560</u>	<u>\$ -0-</u>
Additional Project Information:				
DOE Project Number(s)	3960-040-14-1002			
SDA Project Number(s)	3960-040-14-G1FS			
Grant Date	06/09/14			
Original Authorized Cost	\$ 710,940			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 710,940			
Change Order Percentage	0.00%			
Percentage Completion	72.87%			
Original Target Completion Date	6/30/16			
Revised Target Completion Date	6/30/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
54-56 WING WINDOW REPLACEMENT AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 211,806	\$ (15,310)	\$ 196,496	\$ 211,806
Transfer from Capital Reserve	317,709		317,709	317,709
<b>Total Revenue and Other Financing Sources</b>	<b>529,515</b>	<b>(15,310)</b>	<b>514,205</b>	<b>529,515</b>
Expenditures:				
Legal Services	533		533	2,500
Purchased Professional and Technical Services	33,976		33,976	53,465
Construction Services	456,731		456,731	473,550
<b>Total Expenditures</b>	<b>491,240</b>		<b>491,240</b>	<b>529,515</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 38,275</u>	<u>\$ (15,310)</u>	<u>\$ 22,965</u>	<u>\$ -0-</u>

## Additional Project Information:

DOE Project Number(s)	3960-050-14-1004
SDA Project Number(s)	3960-050-14-G1FU
Grant Date	06/09/14
Original Authorized Cost	\$ 529,515
Change Orders	\$ -0-
Revised Authorized Cost	\$ 529,515
Change Order Percentage	0.00%
Percentage Completion	92.77%
Original Target Completion Date	10/31/21

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
72 WING WINDOW REPLACEMENT AT PASCACK VALLEY HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 158,838		\$ 158,838	\$ 158,838
Transfer from Capital Reserve	238,256		238,256	320,416
Total Revenue and Other Financing Sources	397,094		397,094	479,254
Expenditures:				
Legal Services	839		839	2,500
Purchased Professional and Technical Services	24,272		24,272	39,470
Construction Services	395,000		395,000	437,284
Total Expenditures	420,111		420,111	479,254
Transfer from PH A-Wing Window Replacement	82,160		82,160	
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 59,143	\$ -0-	\$ 59,143	\$ -0-
Additional Project Information:				
DOE Project Number(s)	3960-050-14-1005			
SDA Project Number(s)	3960-050-14-G1FV			
Grant Date	06/09/14			
Original Authorized Cost	\$ 397,094			
Change Orders	\$ 82,160			
Revised Authorized Cost	\$ 479,254			
Change Order Percentage	20.69%			
Percentage Completion	87.66%			
Original Target Completion Date	6/30/16			
Revised Target Completion Date	6/30/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
MUSIC RENOVATION AT PASCACK HILLS HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,378,124		\$ 1,378,124	\$ 1,378,124
<b>Total Revenue and Other Financing Sources</b>	<b>1,378,124</b>		<b>1,378,124</b>	<b>1,378,124</b>
Expenditures:				
Legal Services				
Purchased Professional and Technical Services	1,875	\$ 8,125	10,000	162,624
Construction Services	36,697	1,195,495	1,232,192	1,215,500
<b>Total Expenditures</b>	<b>38,572</b>	<b>1,203,620</b>	<b>1,242,192</b>	<b>1,378,124</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<b>\$ 1,339,552</b>	<b>\$ (1,203,620)</b>	<b>\$ 135,932</b>	<b>\$ -0-</b>

Additional Project Information:

Project Number(s)	N/A
Grant Date	N/A
Original Authorized Cost	\$ 1,115,563
Change Orders	\$ 262,561
Revised Authorized Cost	\$ 1,378,124
Change Order Percentage	23.54%
Percentage Completion	90.14%
Original Target Completion Date	7/31/20
Revised Target Completion Date	6/30/21

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT- POWER GRID CONSTRUCTION  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay	\$ 54,800	\$ 10,405	\$ 65,205	\$ 65,205
<b>Total Revenue and Other Financing Sources</b>	<b>54,800</b>	<b>10,405</b>	<b>65,205</b>	<b>65,205</b>
Expenditures:				
Legal Services				
Purchased Professional and Technical Services				
Construction Services		54,800	54,800	65,205
<b>Total Expenditures</b>		<b>54,800</b>	<b>54,800</b>	<b>65,205</b>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 54,800	\$ (44,395)	\$ 10,405	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 54,800			
Change Orders	\$ 10,405			
Revised Authorized Cost	\$ 65,205			
Change Order Percentage	18.99%			
Percentage Completion	84.04%			
Original Target Completion Date	7/31/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK HILLS ATHLETIC FIELD CONSTRUCTION  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay	\$ 138,442		\$ 138,442	\$ 138,442
Total Revenue and Other Financing Sources	138,442		138,442	138,442
Expenditures:				
Construction Services				138,442
Total Expenditures				138,442
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 138,442	\$ -0-	\$ 138,442	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 138,442			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 138,442			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK VALLEY STROBES AND DOOR ACCESS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 13,557	\$ 13,557	\$ 13,557
Total Revenue and Other Financing Sources		13,557	13,557	13,557
Expenditures:				
Equipment Purchases				13,557
Total Expenditures				13,557
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 13,557	\$ 13,557	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 13,557			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 13,557			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/21			



PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK HILLS STROBES AND DOOR ACCESS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 51,861	\$ 51,861	\$ 51,861
Total Revenue and Other Financing Sources		51,861	51,861	51,861
Expenditures:				
Equipment Purchases				51,861
Total Expenditures				51,861
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 51,861	\$ 51,861	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 51,861			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 51,861			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK HILLS ATHLETIC FIELD  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 59,878	\$ 59,878	\$ 59,878
Total Revenue and Other Financing Sources		59,878	59,878	59,878
Expenditures:				
Purchased Professional and Technical Services				59,878
Total Expenditures				59,878
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 59,878	\$ 59,878	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 59,878			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 59,878			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK VALLEY CAFETERIA ROOF  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 170,922	\$ 170,922	\$ 170,922
Total Revenue and Other Financing Sources		170,922	170,922	170,922
Expenditures:				
Construction Services				170,922
Total Expenditures				170,922
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 170,922	\$ 170,922	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 170,922			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 170,922			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK HILLS GYM HVAC  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 272,050	\$ 272,050	\$ 272,050
Total Revenue and Other Financing Sources		272,050	272,050	272,050
Expenditures:				
Construction Services				272,050
Total Expenditures				272,050
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 272,050	\$ 272,050	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date	N/A			
Original Authorized Cost	\$ 272,050			
Change Orders	\$ -0-			
Revised Authorized Cost	\$ 272,050			
Change Order Percentage	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	7/31/21			

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
PASCACK HILLS B WING ROOF CONSTRUCTION  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 195,530	\$ 195,530	\$ 195,530
Total Revenue and Other Financing Sources		195,530	195,530	195,530
Expenditures:				
Construction Services				195,530
Total Expenditures				195,530
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 195,530	\$ 195,530	\$ -0-

Additional Project Information:

Project Number(s)	N/A
Grant Date	N/A
Original Authorized Cost	\$ 195,530
Change Orders	\$ -0-
Revised Authorized Cost	\$ 195,530
Change Order Percentage	0.00%
Percentage Completion	0.00%
Original Target Completion Date	7/31/21

**PROPRIETARY FUNDS**

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Non-Major Funds		Major Funds			Enterprise Fund Totals	
	Food Service	Transportation	Totals	Milestone Program	Region II Transportation		Park Academy
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents	\$ 1,301	\$ 5,407	\$ 6,708			\$ 324,916	\$ 331,624
Interfund Receivable - General Fund						7,335	7,335
Accounts Receivable:							
Intergovernmental - Other	10,984	10,984	10,984	\$ 9,800	\$ 920,324	94,540	1,035,648
Inventories	20,860		20,860				20,860
Total Current Assets	22,161	16,391	38,552	9,800	920,324	426,791	1,395,467
Non-Current Assets:							
Capital Assets	244,479		244,479				244,479
Less: Accumulated Depreciation	(167,755)		(167,755)				(167,755)
Total Non-Current Assets	76,724		76,724				76,724
Total Assets	98,885	16,391	115,276	9,800	920,324	426,791	1,472,191
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows Related to Pensions				26,268	120,216	81,044	227,528
Total Deferred Outflows of Resources				26,268	120,216	81,044	227,528
<b>LIABILITIES</b>							
Current Liabilities:							
Interfund Payable - General Fund	90,000		90,000	382,320	781,163		1,163,483
Accounts Payable - Vendors	287		287		37,298	8,400	45,985
Accounts Payable - State				7,243	33,148	22,347	62,738
Unearned Revenue	34,086	16,391	50,477		40,575		91,052
Noncurrent Liabilities:							
Net Pension Liability				114,188	522,576	352,299	989,063
Total Liabilities	124,373	16,391	140,764	503,751	1,414,760	383,046	2,301,557
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Inflows Related to Pensions				41,941	191,942	129,399	363,282
Total Deferred Inflows of Resources				41,941	191,942	129,399	363,282
<b>NET POSITION</b>							
Investment in Capital Assets	76,724		76,724				76,724
Unrestricted/(Deficit)	(102,212)		(102,212)	(509,624)	(566,162)	(4,610)	(1,182,608)
Total Net Position/(Deficit)	\$ (25,488)	\$ -0-	\$ (25,488)	\$ (509,624)	\$ (566,162)	\$ (4,610)	\$ (1,105,884)

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

	Non-Major Funds				Major Funds				Enterprise Fund Totals
	Region II Summer School	Transportation	Totals	Milestone Program	Region II Transportation	Park Academy	Totals		
<b>Operating Revenue:</b>									
Charges for Services:									
Daily Sales - Non-Reimbursable Programs	\$ 587,398		\$ 587,398						\$ 587,398
Special Events	6,386		6,386						6,386
Free Lunch Subsidized and operating revenue	15,497		15,497						15,497
Charges and Fees	\$ 64,393	\$ 76,451	140,844	\$ 118,216	\$ 4,810,053	\$ 848,772	\$ 5,777,041		5,917,885
<b>Total Operating Revenue</b>	<b>609,281</b>	<b>64,393</b>	<b>750,125</b>	<b>118,216</b>	<b>4,810,053</b>	<b>848,772</b>	<b>5,777,041</b>		<b>6,527,166</b>
<b>Operating Expenses:</b>									
Cost of Sales - Non-Reimbursable Programs									
Salaries	292,351		292,351						292,351
Employee Benefits	235,612	55,012	290,624	203,353	988,401	544,452	1,736,206		2,026,830
Purchased Services	20,955	4,448	25,403	(36,286)	201,400	261,327	426,441		451,844
Contracted Services	88,538		164,989	1,220	888,440	32,350	922,010		1,086,999
Supplies and Materials	39,138	4,040	40,031	1,612	2,726,301	27,950	2,754,251		2,758,291
Depreciation Expense	3,310	893	4,003		8,286	1,527	11,425		51,456
Rent			3,310						3,310
Miscellaneous				21,000	3,021	60,000	81,000		81,000
<b>Total Operating Expenses</b>	<b>679,904</b>	<b>64,393</b>	<b>820,748</b>	<b>5,922</b>	<b>4,815,849</b>	<b>932,659</b>	<b>5,945,329</b>		<b>13,996</b>
<b>Operating Income/(Loss)</b>	<b>(70,623)</b>		<b>(70,623)</b>	<b>(78,605)</b>	<b>(5,796)</b>	<b>(83,887)</b>	<b>(168,288)</b>		<b>(238,911)</b>
<b>Non-Operating Revenue:</b>									
Interest Revenue	1,465		1,465						1,465
<b>Total Non-Operating Revenue</b>	<b>1,465</b>		<b>1,465</b>						<b>1,465</b>
<b>Change in Net Position</b>	<b>(69,158)</b>		<b>(69,158)</b>	<b>(78,605)</b>	<b>(5,796)</b>	<b>(83,887)</b>	<b>(168,288)</b>		<b>(237,446)</b>
<b>Net Position/(Deficit) - Beginning of Year</b>	<b>43,670</b>		<b>43,670</b>	<b>(431,019)</b>	<b>(560,366)</b>	<b>79,277</b>	<b>(912,108)</b>		<b>(868,438)</b>
<b>Net Position/(Deficit) - End of Year</b>	<b>\$ (25,488)</b>	<b>\$ -0-</b>	<b>\$ (25,488)</b>	<b>\$ (509,624)</b>	<b>\$ (566,162)</b>	<b>\$ (4,610)</b>	<b>\$ (1,080,396)</b>		<b>\$ (1,105,884)</b>



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

	Major Fund					Enterprise Fund Totals			
	Non-Major Funds		Region II						
	Food Service	Region II Summer School	Transportation	Totals	Milestone Program		Region II Transportation	Park Academy	Totals
Cash Flows from Operating Activities:									
Receipts from Customers	608,678	64,393	68,805	741,876	126,816	5,155,880	827,966	6,110,662	6,852,538
Receipts from District	15,497			15,497				15,497	15,497
Payments to Employees		(55,012)		(55,012)	(203,353)	(970,891)	(544,452)	(1,718,696)	(1,773,708)
Payments for Employee Benefits		(4,448)		(4,448)	(55,335)	(201,400)	(157,849)	(414,584)	(419,032)
Payments for Services			(76,451)	(76,451)	(1,220)	(3,615,874)	(53,443)	(3,670,537)	(3,746,988)
Payments for Rent		(4,040)		(4,040)	(21,000)		(60,000)	(81,000)	(85,040)
Payments to Food Service Vendor				(717,752)		(11,307)	(6,580)	(25,421)	(717,752)
Payments to Suppliers		(893)		(893)	(7,534)			(26,314)	(26,314)
Net Cash Provided by/(Used for) Operating Activities	(93,577)		(7,646)	(101,223)	(161,626)	356,408	5,642	200,424	99,201
Cash Flows from Investing Activities:									
Interest Income	1,465			1,465					1,465
Net Cash Provided by Investing Activities	1,465			1,465					1,465
Cash Flows from Noncapital Financing Activities:									
Interfund Payable - General Fund	40,000			40,000	382,320	781,163		1,163,483	1,203,483
Interfund Receivable- General Fund					(220,694)	(1,137,571)	(7,335)	(1,365,600)	(1,365,600)
Net Cash Provided by/(Used for) Noncapital Financing Activities	40,000			40,000	161,626	(356,408)	(7,335)	(202,117)	(162,117)
Cash Flows from Capital and Related Financing Activities:									
Purchase of Capital Assets	(8,410)			(8,410)					(8,410)
Net Cash Used for Capital and Related Financing Activities	(8,410)			(8,410)					(8,410)
Net Increase/(Decrease) in Cash and Cash Equivalents	(60,522)		(7,646)	(68,168)			(1,693)	(1,693)	(69,861)
Cash and Cash Equivalents, July 1	61,823		13,053	74,876			326,609	326,609	401,485
Cash and Cash Equivalents, June 30	\$ 1,301	\$ -	\$ 5,407	\$ 6,708	\$ -	\$ -	\$ 324,916	\$ 324,916	\$ 331,624
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:									
Operating Income/(Loss)	\$ (70,623)	\$ -	\$ -	\$ (70,623)	\$ (78,605)	\$ (5,796)	\$ (83,887)	\$ (168,288)	\$ (238,911)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:									
Depreciation	3,310			3,310					3,310
Changes in Assets and Liabilities:									
(Increase)/Decrease in Accounts Receivable	404		(7,646)	(7,242)	8,600	330,302	(20,806)	318,096	310,854
(Increase)/Decrease in Inventory	(13,160)			(13,160)	(4,496)	41,928	41,383	78,815	(13,160)
(Increase)/Decrease in Change in Assumptions					1,394	765	(662)	1,497	78,815
Increase/(Decrease) in Difference between Expected and Actual Experience					(179)	2,966	2,794	5,581	1,497
Increase/(Decrease) in Investment Gains - Pensions					8,671	12,478	2,703	23,852	5,581
Increase/(Decrease) in Changes in Proportion - Pensions					(97,011)	(40,627)	57,260	(80,378)	23,852
(Decrease)/(Decrease) in Net Pension Liability									(80,378)
(Decrease) in Interfund Payable	(27,998)			(27,998)		(1,133)	6,857	5,724	(22,274)
Increase/(Decrease) in Accounts Payable	14,490			14,490		15,525		15,525	30,015
Increase/(Decrease) in Unearned Revenue									
Net Cash Provided by/(Used for) Operating Activities	\$ (93,577)	\$ -	\$ (7,646)	\$ (101,223)	\$ (161,626)	\$ 356,408	\$ 5,642	\$ 200,424	\$ 99,201

**FIDUCIARY FUNDS**

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Agency							
	Student Activity	Payroll	E-Learning	Total	Unemployment Compensation Trust	Flexible Spending Account Trust	Private Purpose Scholarship Trust	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 532,932	\$ 309,244	\$ 136,318	\$ 978,494	\$ 143,325	\$ 28,550	\$ 273,208	
Other Receivables								
<b>Total Assets</b>	<b>532,932</b>	<b>309,244</b>	<b>136,318</b>	<b>978,494</b>	<b>143,325</b>	<b>\$ 28,550</b>	<b>273,208</b>	
<b>LIABILITIES</b>								
Interfund Payable:								
General Fund		17,664		17,664				
Payroll Deductions and Withholdings		291,580		291,580				
Due to Student Groups	532,932			532,932				
E-Learning			136,318	136,318				
<b>Total Liabilities</b>	<b>532,932</b>	<b>309,244</b>	<b>136,318</b>	<b>978,494</b>				
<b>NET POSITION</b>								
Held in Trust for:								
Unemployment Claims					143,325			
Flexible Spending Claims						28,550		
Restricted for Scholarships							273,208	
<b>Total Net Position</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 143,325</b>	<b>\$ 28,550</b>	<b>\$ 273,208</b>	

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

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Account Trust</u>	<u>Private Purpose Scholarship Trust</u>
<b>ADDITIONS:</b>			
Contributions:			
Plan Member	\$ 41,421	\$ 95,968	
Other			\$ 156
Total Contributions	<u>41,421</u>	<u>95,968</u>	<u>156</u>
Total Additions	<u>41,421</u>	<u>95,968</u>	<u>156</u>
<b>DEDUCTIONS:</b>			
Quarterly Contribution Reports	18,639		
Flexible Spending Claims		104,458	
Scholarships Awarded			11,950
Total Deductions	<u>18,639</u>	<u>104,458</u>	<u>11,950</u>
Change in Net Position	22,782	(8,490)	(11,794)
Net Position - Beginning of the Year	<u>120,543</u>	<u>37,040</u>	<u>285,002</u>
Net Position - End of the Year	<u>\$ 143,325</u>	<u>\$ 28,550</u>	<u>\$ 273,208</u>

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 406,058	\$ 938,354	\$ 811,480	\$ 532,932
Total Assets	<u>\$ 406,058</u>	<u>\$ 938,354</u>	<u>\$ 811,480</u>	<u>\$ 532,932</u>
<b>LIABILITIES:</b>				
Due to Student Groups	\$ 406,058	\$ 938,354	\$ 811,480	\$ 532,932
Total Liabilities	<u>\$ 406,058</u>	<u>\$ 938,354</u>	<u>\$ 811,480</u>	<u>\$ 532,932</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
High Schools:				
Pascack Hills Activities	\$ 172,247	\$ 382,740	\$ 354,567	\$ 200,420
Pascack Hills Athletics	19,842	90,612	51,516	58,938
Pascack Valley Activities	206,035	366,123	345,361	226,797
Pascack Valley Athletics	<u>7,934</u>	<u>98,879</u>	<u>60,036</u>	<u>46,777</u>
Total All Schools	<u>\$ 406,058</u>	<u>\$ 938,354</u>	<u>\$ 811,480</u>	<u>\$ 532,932</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 320,719	\$ 35,097,562	\$ 35,109,037	\$ 309,244
Total Assets	<u>\$ 320,719</u>	<u>\$ 35,097,562</u>	<u>\$ 35,109,037</u>	<u>\$ 309,244</u>
<b>LIABILITIES:</b>				
Interfund Payable:				
General Fund	\$ 19,758	\$ 5,138	\$ 7,232	\$ 17,664
Payroll Deductions and Withholdings	<u>300,961</u>	<u>35,092,424</u>	<u>35,101,805</u>	<u>291,580</u>
Total Liabilities	<u>\$ 320,719</u>	<u>\$ 35,097,562</u>	<u>\$ 35,109,037</u>	<u>\$ 309,244</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
E-LEARNING AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 151,169	\$ 126,293	\$ 141,144	\$ 136,318
Total Assets	<u>\$ 151,169</u>	<u>\$ 126,293</u>	<u>\$ 141,144</u>	<u>\$ 136,318</u>
 <b>LIABILITIES:</b>				
E-Learning Costs	\$ 151,169	\$ 126,293	141,144	\$ 136,318
Total Liabilities	<u>\$ 151,169</u>	<u>\$ 126,293</u>	<u>\$ 141,144</u>	<u>\$ 136,318</u>



**LONG-TERM DEBT**

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Retired/ Matured	Balance June 30, 2020	
			Date	June 30, 2020 Amount	July 1, 2019 Balance				
School Refunding Bonds	11/01/12	\$ 8,710,000	08/15/20	\$ 1,450,000		3.000%			
			08/15/21	1,505,000		3.000%			
			08/15/22	1,565,000	\$ 5,920,000	3.000%	\$ 1,400,000	\$ 4,520,000	
School Refunding Bonds	02/26/13	12,335,000	08/15/23	1,650,000		4.000%			
			08/15/24	1,720,000		4.000%			
			08/15/25	1,805,000		4.000%			
			08/15/26	1,880,000		4.000%			
			08/15/27	1,965,000		4.000%			
			08/15/28	2,050,000	11,070,000	4.000%	11,070,000		
							<u>\$ 16,990,000</u>	<u>\$ 1,400,000</u>	<u>\$ 15,590,000</u>

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,999,400		\$ 1,999,400	\$ 1,999,400	
Total Revenues	1,999,400		1,999,400	1,999,400	
EXPENDITURES:					
Regular Debt Service:					
Interest	599,400		599,400	599,400	
Redemption of Principal	1,400,000		1,400,000	1,400,000	
Total Regular Debt Service	1,999,400		1,999,400	1,999,400	
Total Expenditures	1,999,400		1,999,400	1,999,400	
Excess/(Deficit) of Revenues Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1					
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)  
UNAUDITED

	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net Investment in Capital Assets	\$ 29,831,999	\$ 28,083,149	\$ 36,594,195	\$ 36,725,159	\$ 39,467,647
Restricted	10,492,732	11,503,268	12,930,925	13,000,513	12,780,244
Unrestricted/(Deficit)	<u>(10,264,434)</u>	<u>(9,633,487)</u>	<u>(12,064,619)</u>	<u>(9,803,611)</u>	<u>(10,846,045)</u>
Total Governmental Activities Net Position	<u>\$ 30,060,297</u>	<u>\$ 29,952,930</u>	<u>\$ 37,460,501</u>	<u>\$ 39,922,061</u>	<u>\$ 41,401,846</u>
Business-type Activities:					
Investment in Capital Assets	\$ 82,105	\$ 87,428	\$ 73,971	\$ 71,623	\$ 76,724
Unrestricted/(Deficit)	<u>(634,958)</u>	<u>(709,730)</u>	<u>(651,969)</u>	<u>(940,061)</u>	<u>(1,182,608)</u>
Total Business-Type Activities Net Position/(Deficit)	<u>\$ (552,853)</u>	<u>\$ (622,302)</u>	<u>\$ (577,998)</u>	<u>\$ (868,438)</u>	<u>\$ (1,105,884)</u>
District-wide:					
Net Investment in Capital Assets	\$ 29,914,104	\$ 28,170,577	\$ 36,668,166	\$ 36,796,782	\$ 39,544,371
Restricted	10,492,732	11,503,268	12,930,925	13,000,513	12,780,244
Unrestricted/(Deficit)	<u>(10,899,392)</u>	<u>(10,343,217)</u>	<u>(12,716,588)</u>	<u>(10,743,672)</u>	<u>(12,028,653)</u>
Total District Net Position	<u>\$ 29,507,444</u>	<u>\$ 29,330,628</u>	<u>\$ 36,882,503</u>	<u>\$ 39,053,623</u>	<u>\$ 40,295,962</u>

	June 30,				
	2011	2012	2013	2014	2015
Governmental Activities:					
Net Investment in Capital Assets	\$ 27,392,740	\$ 31,826,247	\$ 33,003,506	\$ 35,749,562	\$ 38,756,146
Restricted	2,040,357	4,511,565	7,110,322	7,800,979	10,050,676
Unrestricted/(Deficit)	<u>3,701,558</u>	<u>2,162,768</u>	<u>1,359,174</u>	<u>(7,785,001)</u>	<u>(10,748,778)</u>
Total Governmental Activities Net Position/(Deficit)	<u>\$ 33,134,655</u>	<u>\$ 38,500,580</u>	<u>\$ 41,473,002</u>	<u>\$ 35,765,540</u>	<u>\$ 38,058,044</u>
Business-type Activities:					
Investment in Capital Assets	\$ 18,900	\$ 16,367	\$ 14,225	\$ 12,083	\$ 87,137
Unrestricted/(Deficit)	<u>143,722</u>	<u>285,277</u>	<u>423,016</u>	<u>(537,074)</u>	<u>(820,269)</u>
Total Business-Type Activities Net Position	<u>\$ 162,622</u>	<u>\$ 301,644</u>	<u>\$ 437,241</u>	<u>\$ (524,991)</u>	<u>\$ (733,132)</u>
District-wide:					
Net Investment in Capital Assets	\$ 27,411,640	\$ 31,842,614	\$ 33,017,731	\$ 35,761,645	\$ 38,843,283
Restricted	2,040,357	4,511,565	7,110,322	7,800,979	10,050,676
Unrestricted/(Deficit)	<u>3,845,280</u>	<u>2,448,045</u>	<u>1,782,190</u>	<u>(8,322,075)</u>	<u>(11,569,047)</u>
Total District Net Position	<u>\$ 33,297,277</u>	<u>\$ 38,802,224</u>	<u>\$ 41,910,243</u>	<u>\$ 35,240,549</u>	<u>\$ 37,324,912</u>

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 18,522,299	\$ 17,368,051	\$ 20,558,959	\$ 17,413,349	\$ 22,153,918	\$ 24,083,408	\$ 27,647,329	\$ 28,845,263	\$ 29,037,425	\$ 28,662,670
Special Education	3,620,154	3,621,058	3,436,296	3,610,323	4,337,466	4,734,414	5,381,126	5,637,714	5,797,708	6,522,720
Other Special Instruction					20,467	11,870	15,290	16,113	16,849	16,475
Other Instruction	2,215,217	2,331,477	2,428,660	2,425,827	2,690,357	2,815,096	3,150,367	3,100,379	3,261,207	3,214,921
Support Services:										
Tuition	2,063,727	1,973,523	2,303,026	2,438,356	2,566,495	2,675,799	2,996,164	3,179,569	3,659,055	4,244,272
Student & Instruction Related Services	6,726,057	6,538,289	7,136,392	7,433,012	8,071,758	8,477,083	9,522,818	9,781,094	9,621,041	9,901,248
General Administrative Services	835,620	1,128,278	969,838	891,617	1,109,752	1,162,045	1,284,224	1,207,304	1,050,429	1,227,177
School Administrative Services	1,683,322	1,736,237	1,701,922	1,768,137	1,851,421	1,968,372	2,139,765	2,405,540	2,274,267	2,217,961
Central Services	570,202	688,662	732,019	737,628	923,446	1,204,022	1,113,406	1,119,237	863,829	845,809
Administration Information Technology	429,278	740,536	606,281	648,873	665,291	712,352	799,177	772,364	408,338	435,895
Plant Operations and Maintenance	3,703,306	4,195,624	4,870,496	4,555,728	5,856,064	5,213,221	5,761,088	6,220,622	5,578,930	5,911,463
Pupil Transportation	1,663,499	1,643,515	1,653,207	1,604,132	1,771,462	1,673,964	1,830,454	1,808,059	1,938,306	1,846,119
Interest on Long-term Debt	1,070,182	1,036,136	1,145,348	771,338	771,332	724,279	685,675	646,415	606,083	564,271
Capital Outlay	28,110	321,435	320,817	802,498	813,635	3,800,000	2,335	278,534	13,431	68,691
Unallocated Depreciation	1,163,238				802,498	8,667,419	3,846,995	3,192,657	2,700,072	2,712,354
Disposal of Capital Assets										
Total Governmental Activities Expenses	43,130,973	43,001,386	47,863,261	45,100,818	54,405,362	67,923,344	66,176,213	68,210,864	66,826,970	68,392,047
Business-type Activities:										
Food Service	891,012	945,980	944,770	1,006,835	965,990	911,442	907,120	899,916	931,879	679,904
Park Academy		650,376	661,405	728,124	585,055	735,147	817,985	876,653	885,929	932,659
Region II Transportation	4,439,850	3,833,892	3,731,661	3,738,667	3,972,383	4,644,105	5,066,863	4,849,989	5,203,472	4,815,849
Region II Administration	570,032	471,231	485,210	479,069	531,632	36,367	40,916	53,963	60,660	64,393
Region II Summer School	29,539	29,192	30,446	28,921	34,883			549,434	397,976	196,821
Milestone Program								99,845	14,452	76,451
Transportation	126,769	125,094	117,538	119,706	101,648	100,033	101,996			
Total Business-type Activities Expenses	6,057,202	6,055,765	5,971,030	6,101,322	6,191,591	6,427,094	6,934,880	7,329,800	7,494,368	6,766,077

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

Fiscal Year Ending June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Total District Expenses	\$ 49,188,175	\$ 49,057,151	\$ 53,834,291	\$ 51,202,140	\$ 60,596,953	\$ 74,350,438	\$ 73,111,093	\$ 75,540,664	\$ 74,321,338	\$ 75,158,124
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	295,888	322,372	514,615	523,008	477,831	630,780	966,246	1,255,489	970,560	728,946
Operating Grants and Contributions	3,995,540	5,161,539	5,928,996	5,454,526	10,542,252	12,509,362	16,752,380	17,673,718	16,577,664	16,925,605
Capital Grants and Contributions	816,410	195,059	616,766		276,215	181,124		175,315	366,067	14,993
Total Governmental Activities Program Revenues	5,107,838	5,678,970	7,060,377	5,977,534	11,296,298	13,321,266	17,718,626	19,104,522	17,914,291	17,669,544
<b>Program Revenues</b>										
Business-Type Activities:										
Charges for Services:										
Food Service	933,755	942,051	924,405	956,330	826,567	863,292	858,138	879,125	888,990	609,281
Park Academy		646,201	816,438	760,663	524,781	939,902	958,900	734,455	748,146	848,772
Region II Transportation	4,435,596	3,831,849	3,731,661	3,738,667	3,972,383	4,667,464	4,890,331	5,100,407	5,207,953	4,810,053
Region II Administration	574,286	473,274	485,210	479,069	522,952					
Region II Summer School	29,539	29,192	30,446	28,921	34,883	36,367	40,916	53,963	60,660	64,393
Milestone Program										
Transportation	126,769	125,094	117,538	119,706	101,648	100,033	101,996	234,605	281,786	118,216
Total Business-Type Activities Revenues	6,099,945	6,047,661	6,105,698	6,083,356	5,983,214	6,607,058	6,850,281	7,102,400	7,201,987	6,527,166
Total District Program Revenues	11,207,783	11,726,631	13,166,075	12,060,890	17,279,512	19,928,324	24,568,907	26,206,922	25,116,278	24,196,710
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(38,023,135)	(37,322,416)	(40,802,884)	(39,123,284)	(43,109,064)	(54,602,078)	(48,457,587)	(49,106,342)	(48,912,679)	(50,722,503)
Business-Type Activities	42,743	(8,104)	134,668	(17,966)	(208,377)	179,964	(84,599)	(227,400)	(292,381)	(238,911)
Total District-Wide Net (Expense)/Revenue	(37,980,392)	(37,330,520)	(40,668,216)	(39,141,250)	(43,317,441)	(54,422,114)	(48,542,186)	(49,333,742)	(49,205,060)	(50,961,414)



PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET ASSETS, LAST TEN FISCAL YEARS  
*(accrual basis of accounting)*  
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 39,995,215	\$ 40,699,097	\$ 41,513,079	\$ 42,343,341	\$ 43,190,207	\$ 44,403,138	\$ 45,910,355	\$ 46,828,562	\$ 47,765,133	\$ 49,577,550
Taxes Levied for Debt Service	1,990,196	2,009,376	2,029,152	1,949,124	1,961,788	1,915,010	1,973,875	1,925,281	1,990,650	1,999,400
Unrestricted Grants and Contributions	12,938		28,883	31,466	31,308	31,308				
Investment Earnings	21,787	21,787	36,246	35,002	17,128	17,128	35,828	35,828	35,828	35,828
Miscellaneous Income	218,609	279,516	167,946	192,711	201,137	254,875	430,162	198,619	1,582,628	589,510
<b>Total Governmental Activities</b>	<b>42,216,958</b>	<b>43,009,776</b>	<b>43,775,306</b>	<b>44,551,644</b>	<b>45,401,568</b>	<b>46,604,331</b>	<b>48,350,220</b>	<b>48,988,290</b>	<b>51,374,239</b>	<b>52,202,288</b>
Business-Type Activities:										
Investment Earnings	1,172	799	929	841	236	315	298	625	1,941	1,465
Cancellation of Prior Year Accounts Payable								247,000		
Transfers		146,327								
<b>Total Business-Type Activities</b>		<b>147,126</b>		<b>841</b>	<b>236</b>	<b>315</b>	<b>298</b>	<b>247,625</b>	<b>1,941</b>	<b>1,465</b>
<b>Total District-Wide</b>	<b>42,216,958</b>	<b>43,156,902</b>	<b>43,776,235</b>	<b>44,552,485</b>	<b>45,401,804</b>	<b>46,604,646</b>	<b>48,350,518</b>	<b>49,235,915</b>	<b>51,376,180</b>	<b>52,203,753</b>
<b>Change in Net Position</b>										
Governmental Activities	4,193,823	5,687,360	2,972,422	5,428,360	2,292,504	(7,997,747)	(107,367)	(118,052)	2,461,560	1,479,785
Business-Type Activities	42,743	139,022	135,597	(17,125)	(208,141)	180,279	(84,301)	20,225	(290,440)	(237,446)
<b>Total District</b>	<b>\$ 4,236,566</b>	<b>\$ 5,826,382</b>	<b>\$ 3,108,019</b>	<b>\$ 5,411,235</b>	<b>\$ 2,084,363</b>	<b>\$ (7,817,468)</b>	<b>\$ (191,668)</b>	<b>\$ (97,827)</b>	<b>\$ 2,171,120</b>	<b>\$ 1,242,339</b>

Source: School District Financial Reports.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*  
 UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Restricted	\$ 1,955,530	\$ 4,431,163	\$ 6,978,406	\$ 7,689,270	\$ 9,938,967	\$ 10,432,538	\$ 11,443,074	\$ 12,930,925	\$ 13,000,513	\$ 12,780,244
Assigned	2,456,715	1,194,532	1,171,022	1,087,016	419,303	1,261,999	3,295,375	906,724	2,522,794	1,984,513
Unassigned	1,099,326	1,062,976	1,088,577	1,070,041	1,181,938	1,190,128	1,338,005	1,352,650	1,627,470	1,937,661
<b>Total General Fund</b>	<b>\$ 5,511,571</b>	<b>\$ 6,688,671</b>	<b>\$ 9,238,005</b>	<b>\$ 9,846,327</b>	<b>\$ 11,540,208</b>	<b>\$ 12,884,665</b>	<b>\$ 16,076,454</b>	<b>\$ 15,190,299</b>	<b>\$ 17,150,777</b>	<b>\$ 16,702,418</b>
<b>All Other Governmental Funds:</b>										
Restricted										
Capital Projects Fund	\$ 80,401	\$ 80,401	\$ 80,401	\$ 60,194	\$ 60,194	\$ 60,194	\$ 60,194			
Debt Service Fund	4,426	1	51,515	51,515	51,515					
Committed:										
Capital Projects Fund	1,344,612	1,074,741	540,573	2,626,606	421,913	318,737	150,678	864,052	1,648,462	1,164,244
<b>Total All Other Governmental Funds</b>	<b>\$ 1,429,439</b>	<b>\$ 1,155,143</b>	<b>\$ 672,489</b>	<b>\$ 2,738,315</b>	<b>\$ 533,622</b>	<b>\$ 378,931</b>	<b>\$ 210,872</b>	<b>\$ 864,052</b>	<b>\$ 1,648,462</b>	<b>\$ 1,164,244</b>
<b>Total Governmental Funds:</b>										
Restricted	\$ 1,955,530	\$ 4,431,163	\$ 7,058,807	\$ 7,800,979	\$ 10,050,676	\$ 10,492,732	\$ 11,503,268	\$ 12,930,925	\$ 13,000,513	\$ 12,780,244
Committed				2,626,606	421,913	318,737	150,678	864,052	1,648,462	1,164,244
Assigned				1,087,016	419,303	1,261,999	3,295,375	906,724	2,522,794	1,984,513
Unassigned				1,070,041	1,181,938	1,190,128	1,338,005	1,352,650	1,627,470	1,937,661
<b>Total Governmental Funds</b>	<b>\$ 1,955,530</b>	<b>\$ 4,431,163</b>	<b>\$ 7,058,807</b>	<b>\$ 12,584,642</b>	<b>\$ 12,073,830</b>	<b>\$ 13,263,596</b>	<b>\$ 16,287,326</b>	<b>\$ 16,054,351</b>	<b>\$ 18,799,239</b>	<b>\$ 17,866,662</b>

Source: School District Financial Reports.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>											
Tax Levy	\$ 39,889,954	\$ 41,985,411	\$ 42,708,473	\$ 43,542,231	\$ 44,292,465	\$ 45,151,995	\$ 46,318,148	\$ 47,884,230	\$ 48,753,843	\$ 49,755,783	\$ 51,576,950
Tuition Charges	121,063	295,888	322,372	514,615	523,008	477,831	630,780	966,246	1,255,489	970,560	728,946
Interest Earnings	82,974	21,787	36,246	19,571	35,002	19,571	13,137				
Miscellaneous	8,707	218,609	279,516	168,446	192,883	201,137	249,375	445,528	198,619	1,583,274	664,503
State Sources	4,880,911	3,752,696	4,504,179	6,073,118	4,977,616	5,915,362	6,567,476	7,268,540	8,531,090	10,077,959	10,532,133
Federal Sources	634,672	1,072,192	852,419	501,027	508,204	557,103	516,918	546,584	478,123	489,866	488,348
<b>Total Revenues</b>	<b>45,618,281</b>	<b>47,324,796</b>	<b>48,688,746</b>	<b>50,835,683</b>	<b>50,529,178</b>	<b>52,322,999</b>	<b>54,295,834</b>	<b>57,111,128</b>	<b>59,217,164</b>	<b>62,877,442</b>	<b>63,990,880</b>
<b>Expenditures</b>											
<b>Instruction:</b>											
Regular Instruction	14,019,761	14,416,575	14,333,194	14,142,908	14,676,557	15,744,893	16,319,697	15,704,881	16,915,066	17,141,912	17,284,556
Special Education Instruction	2,003,618	2,869,948	2,843,148	2,615,280	2,744,073	2,954,641	3,205,945	3,405,001	3,405,279	3,592,098	3,907,756
Other Instruction	1,616,780	1,769,748	1,860,630	1,870,262	1,944,375	1,958,522	1,949,168	1,983,028	2,002,817	2,112,534	2,095,059
<b>Support Services:</b>											
Tuition	2,413,892	2,063,727	1,973,523	2,303,026	2,438,356	2,566,495	2,675,799	2,996,164	3,179,569	3,659,055	4,244,272
Student & Instruction Related Services	5,291,708	5,168,587	5,006,271	5,369,768	5,739,316	5,677,900	5,488,597	5,727,173	5,794,472	5,950,416	6,194,858
General Administrative Services	790,919	762,557	833,063	813,090	755,350	871,596	886,713	915,913	821,663	873,227	1,020,796
School Administrative Services	1,386,710	1,250,659	1,285,902	1,273,194	1,305,123	1,346,991	1,369,105	1,340,724	1,345,257	1,348,691	1,342,552
Central Services	498,832	478,820	517,068	539,381	557,996	639,900	756,329	658,579	657,572	641,756	641,436
Administration Information Technology	311,222	242,994	502,713	392,633	415,667	372,732	382,838	394,237	377,500	313,480	338,384
Plant Operations and Maintenance	3,439,687	3,472,257	3,220,196	3,492,398	3,759,144	4,538,424	3,827,715	3,861,941	4,332,677	4,913,811	5,395,337
Pupil Transportation	1,790,889	1,643,627	1,623,185	1,630,332	1,582,662	1,738,123	1,634,186	1,771,698	1,744,554	1,913,819	1,821,260
Unallocated Benefits	7,181,805	8,013,696	8,503,929	9,446,887	9,056,471	9,450,304	10,562,438	11,751,787	13,079,707	14,365,234	14,609,597

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
UNAUDITED

	Fiscal Year Ending June 30,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenditures</b>											
Capital Outlay	\$ 3,016,187	\$ 5,957,007	\$ 3,269,319	\$ 7,793,195	\$ 930,816	\$ 3,011,502	\$ 2,081,013	\$ 1,602,397	\$ 3,808,531	\$ 1,315,871	\$ 4,028,194
Debt Service:											
Principal	880,000	925,000	965,000	1,015,000	1,115,000	1,155,000	1,205,000	1,255,000	1,305,000	1,350,000	1,400,000
Interest and Other Charges	1,113,464	1,081,877	1,048,801	962,638	834,124	806,788	761,525	718,875	680,475	640,650	599,400
Total Expenditures	45,755,474	50,117,079	47,785,942	53,659,992	47,855,030	52,833,811	53,106,068	54,087,398	59,450,139	60,132,554	64,923,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,193)	(2,792,283)	902,804	(2,824,309)	2,674,148	(510,812)	1,189,766	3,023,730	(232,975)	2,744,888	(932,577)
<b>Other Financing Sources (Uses)</b>											
Cancellation of Accounts Payable	(16,579)			4,890,989							
Capital Leases	348,196	4,936,583		1,142,435	2,520,024	632,176	7,387	169,456	1,184,439	491,164	789,195
Transfers In	1,462,626	1,701,088	1,692,045	(1,142,435)	(2,520,024)	(632,176)	(7,387)	(169,456)	(1,184,439)	(491,164)	(789,195)
Transfers Out	(1,462,626)	(1,701,088)	(1,692,045)	(1,142,435)	(2,520,024)	(632,176)	(7,387)	(169,456)	(1,184,439)	(491,164)	(789,195)
Total Other Financing Sources (Uses)	331,617	4,936,583	-0-	4,890,989	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Net Change in Fund Balances	\$ 194,424	\$ 2,144,300	\$ 902,804	\$ 2,066,680	\$ 2,674,148	\$ (510,812)	\$ 1,189,766	\$ 3,023,730	\$ (232,975)	\$ 2,744,888	\$ (932,577)
Debt Service as a Percentage of Noncapital Expenditures	4.89%	4.76%	4.74%	4.51%	4.33%	4.10%	4.01%	3.91%	3.70%	3.50%	3.39%

Source: School District Financial Reports.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals - Use</u> <u>of Facilities</u>	<u>Other</u>	<u>Total</u>
2011	\$ 52,344	\$ 295,888	\$ 6,632	\$ 155,400	\$ 510,264
2012	19,952	322,372	6,525	272,991	621,840
2013	30,411	514,615	10,175	157,771	712,972
2014	37,833	523,008	6,775	175,973	743,589
2015	7,000	477,831	3,600	197,537	685,968
2016	5,750	630,780	11,966	229,772	878,268
2017	7,000	966,246	4,180	411,799	1,389,225
2018	7,000	1,255,489	8,444	174,493	1,445,426
2019	7,000	970,560	12,670	1,527,597	2,517,827
2020	7,000	728,946	10,927	571,583	1,318,456

Source: Pascack Valley Regional High School District records.

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

BOROUGH OF HILLSDALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 16,589,400	\$ 1,816,609,300	\$ 745,000	\$ 13,100	\$ 109,531,700	\$ 14,315,500	\$ 1,995,300	\$ 1,959,799,300	\$ 152,871,600	\$ 8,382,930	\$ 1,968,182,230	0.51	\$ 2,058,164,361
2011	15,864,900	1,816,573,400	745,000	13,100	108,901,100	13,747,600	1,995,300	1,957,840,400	153,960,400	8,579,677	1,966,420,077	0.53	1,952,438,002
2012	15,382,100	1,809,213,560	745,000	13,100	106,992,800	13,747,600	1,995,300	1,948,089,460	153,491,400	8,428,811	1,956,518,271	0.54	1,893,124,566
2013	11,462,800	1,543,338,400	676,200	12,200	97,389,700	12,029,100	4,959,700	1,669,868,100	140,637,400	6,484,341	1,676,352,441	0.65	1,760,985,490
2014	10,606,300	1,543,881,100	621,800	12,200	97,025,800	12,029,100	4,959,700	1,669,136,000	140,724,900	5,466,941	1,674,602,941	0.65	1,810,828,300
2015	10,606,300	1,544,839,900	621,800	12,200	96,902,400	12,029,100	4,959,700	1,669,971,400	140,595,200	5,459,352	1,675,430,752	0.68	1,778,154,309
2016	10,541,400	1,547,451,500	621,800	12,200	96,611,800	12,029,100	4,959,700	1,672,227,500	140,242,900	5,840,947	1,678,068,447	0.68	1,812,873,041
2017	10,204,700	1,550,344,000	621,800	12,200	96,744,900	12,029,100	4,959,700	1,674,916,400	140,488,700	5,840,947	1,680,757,347	0.68	1,805,083,688
2018	14,139,500	1,553,102,200	621,800	12,200	94,928,700	12,029,100	4,959,700	1,679,793,200	140,448,700	5,873,363	1,685,666,563	0.69	1,813,645,677
2019	12,551,900	1,559,712,900	621,800	12,200	94,786,700	12,029,100	4,959,700	1,684,674,300	140,445,900	5,809,640	1,690,483,940	0.75	1,879,223,781

BOROUGH OF MONTVALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 30,721,300	\$ 1,699,843,800	\$ 2,246,000	\$ 37,600	\$ 589,788,400	\$ 13,075,000	\$ 18,753,000	\$ 2,354,465,100	\$ 110,026,100	\$ 3,948,799	\$ 2,358,413,899	0.44	\$ 2,271,988,152
2011	42,391,100	1,711,031,500	2,246,000	37,600	587,625,400	11,339,100	18,753,000	2,373,423,700	110,478,700	2,961,081	2,376,384,781	0.44	2,300,568,569
2012	30,625,900	1,727,073,100	2,246,000	37,600	582,231,700	11,339,100	18,753,000	2,372,306,400	111,007,100	2,939,324	2,375,245,724	0.46	2,280,590,779
2013	21,928,800	1,374,516,300	1,939,100	32,400	581,097,200	11,044,100	17,653,000	2,008,210,900	112,457,100	2,735,012	2,010,945,912	0.56	2,177,618,311
2014	25,314,100	1,375,114,800	1,939,100	32,400	576,034,600	11,044,100	17,653,000	2,007,132,100	112,110,400	2,166,301	2,009,298,401	0.59	2,272,470,680
2015	20,081,500	1,393,297,000	1,939,100	32,400	609,601,400	11,044,100	17,653,000	2,053,648,500	112,110,400	2,513,505	2,056,162,005	0.63	2,261,833,469
2016	40,981,600	1,400,530,900	1,939,100	18,000	562,631,600	11,044,100	17,653,000	2,034,798,300	115,930,000	2,467,175	2,037,265,475	0.66	2,288,500,542
2017	36,648,700	1,429,329,000	1,939,100	18,000	541,543,970	11,044,100	17,653,000	2,038,175,870	116,711,900	2,242,777	2,040,418,647	0.66	2,291,556,345
2018	18,230,600	1,461,402,600	1,939,100	8,500	547,446,970	10,892,500	17,653,000	2,057,573,270	117,451,600	2,188,152	2,059,761,422	0.65	2,321,042,653
2019	30,535,900	1,469,209,600	1,939,100	8,500	511,254,470	10,892,500	17,653,000	2,041,493,070	154,154,700	2,188,152	2,043,681,222	0.69	2,269,548,486

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

b - Tax rates are per \$100.

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

\* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 30,632,200	\$ 1,963,018,600	\$ 1,791,500	\$ -	\$ 104,445,700	\$ -	\$ 13,034,700	\$ 2,112,922,700	\$ 92,396,700	\$ 220,618	\$ 2,113,143,318	0.47	\$ 2,230,833,059
2011	27,416,700	1,969,780,400	-	-	70,900,800	-	13,034,700	2,081,132,600	123,482,200	1,600,551	2,082,733,151	0.49	2,075,161,024
2012	28,687,500	1,961,429,200	-	-	76,456,600	-	13,034,700	2,079,608,000	125,283,200	1,527,724	2,081,135,724	0.51	2,043,697,829
2013	24,311,200	1,961,259,300	-	-	75,786,600	-	13,034,700	2,074,391,800	125,265,600	1,480,772	2,075,872,572	0.52	1,984,989,947
2014	22,643,800	1,953,627,700	-	-	71,333,700	-	13,034,700	2,060,639,900	127,962,100	1,330,849	2,061,970,749	0.53	1,939,589,744
2015	17,521,400	1,964,693,300	-	-	71,128,200	-	13,034,700	2,066,377,600	126,791,200	1,351,396	2,067,728,996	0.58	1,956,461,720
2016	15,375,500	1,974,406,900	-	-	70,235,800	-	13,034,700	2,073,052,900	127,037,000	1,344,095	2,074,396,995	0.58	2,047,995,196
2017	15,467,100	1,974,720,200	-	-	71,521,600	-	13,034,700	2,074,743,600	127,518,100	1,333,316	2,076,076,916	0.61	2,076,076,916
2018	14,378,600	1,981,135,500	-	-	71,521,600	-	13,034,700	2,080,070,400	127,526,500	1,342,127	2,081,412,527	0.63	2,074,763,194
2019	14,094,200	1,987,790,600	-	-	71,459,800	-	13,034,700	2,086,379,300	126,380,600	1,348,864	2,087,728,164	0.63	2,078,144,276

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 16,806,600	\$ 1,218,110,700	\$ 930,800	\$ 6,400	\$ 415,187,600	\$ -	\$ -	\$ 1,651,042,100	\$ 58,224,900	\$ 1,584,879	\$ 1,652,626,979	0.65	\$ 2,245,069,011
2011	14,696,900	1,233,145,100	930,800	6,400	454,682,800	-	-	1,703,462,000	57,760,400	1,723,119	1,705,185,119	0.68	2,183,926,392
2012	24,756,000	1,277,784,100	1,225,400	6,600	542,447,400	-	-	1,846,219,500	68,044,300	1,723,119	1,847,942,619	0.62	1,969,565,261
2013	21,415,000	1,279,611,400	1,003,600	6,600	526,614,400	-	-	1,828,651,000	67,849,500	1,902,495	1,830,553,495	0.61	1,999,384,529
2014	14,430,300	1,293,849,200	1,003,600	6,600	473,997,500	-	-	1,783,287,200	67,303,700	1,488,377	1,784,775,577	0.63	1,924,752,204
2015	12,987,200	1,368,240,000	1,042,900	6,600	512,114,400	-	-	1,894,391,100	67,622,700	1,777,846	1,896,168,946	0.60	1,965,379,073
2016	12,723,700	1,387,553,500	1,061,300	6,600	517,184,700	-	-	1,918,529,800	68,458,300	1,781,755	1,920,311,555	0.59	1,935,004,044
2017	23,281,300	1,405,890,100	1,060,700	6,600	551,589,700	-	-	1,981,828,400	69,125,200	1,775,410	1,983,603,810	0.56	1,983,603,810
2018	20,458,700	1,440,265,500	1,079,000	6,600	549,849,100	-	-	2,011,658,900	68,665,100	1,772,943	2,013,431,843	0.57	2,010,875,503
2019	15,226,500	1,467,894,300	1,093,100	6,600	554,773,600	-	-	2,038,994,100	70,089,000	1,775,253	2,040,769,353	0.57	2,000,935,964

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

b - Tax rates are per \$100.

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

\* Year in which revaluation became effective.

Source: Municipal Tax Assessors.

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

BOROUGH OF HILLSDALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Hillsdale	Borough of Hillsdale Public Schools	Bergen County	
2010	\$ 0.49	\$ 0.02	\$ 0.51	\$ 0.42	\$ 0.91	\$ 0.20	\$ 2.04
2011	0.51	0.02	0.53	0.43	0.95	0.20	2.11
2012	0.51	0.02	0.54	0.44	0.97	0.21	2.16
2013	* 0.62	0.03	0.65	0.49	1.19	0.24	2.57
2014	0.62	0.03	0.65	0.54	1.17	0.25	2.61
2015	0.65	0.03	0.68	0.55	1.13	0.26	2.62
2016	0.65	0.03	0.68	0.55	1.22	0.26	2.71
2017	0.65	0.03	0.68	0.57	1.23	0.27	2.75
2018	0.67	0.03	0.69	0.58	1.26	0.26	2.80
2019	0.72	0.03	0.75	0.56	1.32	0.27	2.90

BOROUGH OF MONTVALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Montvale	Borough of Montvale Public Schools	Bergen County	
2010	\$ 0.42	\$ 0.02	\$ 0.44	\$ 0.43	\$ 0.57	\$ 0.18	\$ 1.63
2011	0.42	0.02	0.44	0.45	0.59	0.20	1.68
2012	0.44	0.02	0.46	0.46	0.60	0.21	1.73
2013	* 0.54	0.02	0.56	0.56	0.73	0.25	2.10
2014	0.56	0.04	0.59	0.58	0.75	0.26	2.18
2015	0.60	0.03	0.63	0.58	0.73	0.26	2.20
2016	0.63	0.03	0.66	0.59	0.75	0.26	2.26
2017	0.63	0.03	0.66	0.60	0.77	0.27	2.30
2018	0.62	0.03	0.65	0.60	0.79	0.28	2.32
2019	0.67	0.03	0.69	0.56	0.85	0.27	2.36

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

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

\* - Property revaluation became effective in this year.

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

Source: Municipal Tax Collectors and School Business Administrator.



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

TOWNSHIP OF RIVER VALE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of River Vale	Township of River Vale		
					Public Schools	Bergen County	
2010	\$ 0.45	\$ 0.02	\$ 0.47	\$ 0.43	\$ 0.90	\$ 0.20	\$ 2.00
2011	0.46	0.02	0.49	0.70	0.87	0.23	2.29
2012	0.49	0.02	0.51	0.48	0.96	0.22	2.17
2013	* 0.50	0.02	0.52	0.50	0.99	0.22	2.23
2014	0.51	0.02	0.53	0.50	1.02	0.22	2.27
2015	0.56	0.02	0.58	0.53	1.01	0.23	2.35
2016	0.56	0.02	0.58	0.55	1.05	0.24	2.42
2017	0.59	0.02	0.61	0.56	1.07	0.25	2.49
2018	0.61	0.03	0.63	0.57	1.08	0.24	2.52
2019	0.61	0.02	0.63	0.54	1.14	0.24	2.55

BOROUGH OF WOODCLIFF LAKE

Year Ended December 31,	Pascack Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Woodcliff Lake	Borough of Woodcliff Lake		
					Public Schools	Bergen County	
2010	\$ 0.62	\$ 0.03	\$ 0.65	\$ 0.47	\$ 0.77	\$ 0.27	\$ 2.18
2011	0.65	0.03	0.68	0.50	0.80	0.26	2.24
2012	0.59	0.03	0.62	0.49	0.74	0.23	2.08
2013	* 0.58	0.03	0.61	0.51	0.77	0.24	2.13
2014	0.60	0.03	0.63	0.52	0.81	0.25	2.21
2015	0.58	0.02	0.60	0.51	0.76	0.25	2.12
2016	0.57	0.02	0.59	0.51	0.79	0.25	2.14
2017	0.54	0.02	0.56	0.50	0.78	0.25	2.09
2018	0.55	0.02	0.57	0.50	0.78	0.24	2.09
2019	0.54	0.02	0.57	0.49	0.80	0.24	2.09

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

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

\* - Property revaluation became effective in this year.

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

Source: Municipal Tax Collectors and School Business Administrator.

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

BOROUGH OF HILLSDALE

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
New Creek LLC	\$ 11,472,700	1	0.68%	Prima II LLC	\$ 10,483,100	1	0.53%
Cross Roads - Hillsdale Association LLC	9,126,400	2	0.54%	Cross Roads - Hillsdale Association LLC	9,502,100	2	0.48%
New Jersey Bell	5,888,257	3	0.35%	New Jersey Bell	8,676,887	3	0.44%
Public Service Electric and Gas, Co.	3,100,000	4	0.18%	Edgewood Country Club, Inc.	3,880,800	4	0.20%
Edgewood Golf Course Realty Assoc., LLC	3,069,400	5	0.18%	New Jersey Bell	3,365,700	5	0.17%
Pavonia Equities, LP	3,008,100	6	0.18%	Golden Orchard Associates, LP	3,333,200	6	0.17%
Marsala Enterprises	2,651,000	7	0.16%	Bank of America	2,547,400	7	0.13%
100 Park Ave Associates, LLC	2,560,000	8	0.15%	321 Broadway Associates, LLC	3,170,100	8	0.16%
New Jersey Bell, Gen. Tax Adm.	2,400,000	9	0.14%	Marsala Enterprises	2,710,100	9	0.14%
371 Retail Associates, LLC	2,200,000	10	0.13%	U.S.A Waste C/O Waste Management	2,278,400	10	0.12%
<b>Total</b>	<b>\$ 45,475,857</b>		<b>2.70%</b>	<b>Total</b>	<b>\$ 49,947,787</b>		<b>2.54%</b>

BOROUGH OF MONTVALE

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
NOT AVAILABLE				NOT AVAILABLE			

TOWNSHIP OF RIVER VALE

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
NOT AVAILABLE				NOT AVAILABLE			

BOROUGH OF WOODCLIFF LAKE

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value
NOT AVAILABLE				NOT AVAILABLE			

Source: Municipal Tax Assessors.

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

BOROUGH OF HILLSDALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 10,001,587	\$ 10,001,587	100.00%	-0-
2012	10,380,247	10,380,247	100.00%	-0-
2013	10,476,588	10,476,588	100.00%	-0-
2014	10,875,330	10,875,330	100.00%	-0-
2015	10,809,102	10,809,102	100.00%	-0-
2016	10,563,576	10,563,576	100.00%	-0-
2017	10,964,812	10,964,812	100.00%	-0-
2018	11,025,958	11,025,958	100.00%	-0-
2019	11,712,880	11,712,880	100.00%	-0-
2020	12,631,897	12,631,897	100.00%	-0-

BOROUGH OF MONTVALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 10,437,043	\$ 10,437,043	100.00%	-0-
2012	10,648,223	10,648,223	100.00%	-0-
2013	11,170,880	11,170,880	100.00%	-0-
2014	11,390,163	11,390,163	100.00%	-0-
2015	12,260,632	12,260,632	100.00%	-0-
2016	12,774,608	12,774,608	100.00%	-0-
2017	12,347,197	12,347,197	100.00%	-0-
2018	13,332,391	13,332,391	100.00%	-0-
2019	13,407,081	13,407,081	100.00%	-0-
2020	14,160,966	14,160,966	100.00%	-0-

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

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

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

TOWNSHIP OF RIVER VALE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 9,930,100	\$ 9,930,100	100.00%	-0-
2012	10,116,618	10,116,618	100.00%	-0-
2013	10,673,670	10,673,670	100.00%	-0-
2014	10,787,475	10,787,475	100.00%	-0-
2015	11,002,982	11,002,982	100.00%	-0-
2016	11,564,508	11,564,508	100.00%	-0-
2017	11,570,402	11,570,402	100.00%	-0-
2018	12,199,043	12,199,043	100.00%	-0-
2019	13,191,209	13,191,209	100.00%	-0-
2020	13,221,137	13,221,137	100.00%	-0-

BOROUGH OF WOODCLIFF LAKE

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 11,616,681	\$ 11,616,681	100.00%	-0-
2012	11,563,385	11,563,385	100.00%	-0-
2013	11,221,093	11,221,093	100.00%	-0-
2014	11,239,497	11,239,497	100.00%	-0-
2015	11,079,279	11,079,279	100.00%	-0-
2016	11,415,456	11,415,456	100.00%	-0-
2017	11,027,944	11,027,944	100.00%	-0-
2018	10,271,169	10,271,169	100.00%	-0-
2019	11,444,613	11,444,613	100.00%	-0-
2020	11,562,950	11,562,950	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Capital Leases			
2011	\$ 26,448,000	\$ -0-	\$ 5,241,931	\$ -0-	\$ -0-	\$ -0-	\$ 31,689,931	1.37%	940.47
2012	25,483,000	-0-	3,009,995	-0-	-0-	-0-	28,492,995	1.17%	839.34
2013	24,375,000	-0-	4,890,989	-0-	-0-	-0-	29,265,989	1.21%	858.84
2014	23,260,000	-0-	2,576,018	-0-	-0-	-0-	25,836,018	1.02%	754.47
2015	22,105,000	-0-	1,288,009	-0-	-0-	-0-	23,393,009	0.88%	678.29
2016	20,900,000	-0-	-0-	-0-	-0-	-0-	20,900,000	0.77%	602.84
2017	19,645,000	-0-	-0-	-0-	-0-	-0-	19,645,000	0.69%	563.43
2018	18,340,000	-0-	-0-	-0-	-0-	-0-	18,340,000	0.61%	525.07
2019	16,990,000	-0-	-0-	-0-	-0-	-0-	16,990,000	0.57%	489.30
2020	15,590,000	-0-	-0-	-0-	-0-	-0-	15,590,000	0.52%	449.28

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

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

Source: School District Financial Reports.

PASCACK 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			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 26,448,000	\$ -0-	\$ 26,448,000	0.300%	\$ 784.90
2012	25,483,000	-0-	25,483,000	0.299%	750.67
2013	24,375,000	-0-	24,375,000	0.298%	715.31
2014	23,260,000	-0-	23,260,000	0.294%	679.24
2015	22,105,000	-0-	22,105,000	0.278%	640.95
2016	20,900,000	-0-	20,900,000	0.263%	602.84
2017	19,645,000	-0-	19,645,000	0.243%	563.43
2018	18,340,000	-0-	18,340,000	0.225%	525.07
2019	16,990,000	-0-	16,990,000	0.207%	489.30
2020	15,590,000	-0-	15,590,000	0.189%	449.28

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

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

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

Source: School District Financial Reports.

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Borough of Hillsdale	\$ 3,798,002	100.00%	\$ 3,798,002
Borough of Montvale	11,861,770	100.00%	11,861,770
Township of River Vale	19,407,540	100.00%	19,407,540
Borough of Woodcliff Lake	10,346,952	100.00%	10,346,952
Bergen County General Obligation Debt	855,398,427	4.36%	<u>37,335,185</u>
Subtotal, Overlapping Debt			82,749,449
Pascack Valley Regional High School District Direct Debt			<u>15,590,000</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 98,339,449</u></u>

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2020**

Year Ended December 31,	Borough of Hillsdale	Borough of Montvale	Township of River Vale	Borough of Woodcliff Lake	Total Equalized Valuation Basis
2017	\$1,799,244,172	\$2,289,313,568	\$2,065,654,719	\$1,993,991,750	\$8,148,204,209
2018	1,864,779,307	2,277,588,300	2,068,075,562	1,947,583,406	8,158,026,575
2019	1,857,004,299	2,375,762,912	2,127,655,821	2,009,257,095	8,369,680,127
	<u>\$ 1,840,342,593</u>	<u>\$ 2,314,221,593</u>	<u>\$ 2,087,128,701</u>	<u>\$ 1,983,610,750</u>	<u>\$ 24,675,910,911</u>
	Average Equalized Valuation of Taxable Property				<u>\$ 8,225,303,637</u>
	Debt Limit (3% of Average Equalization Value)				\$ 246,759,109 *
	Net Bonded School Debt				<u>15,590,000</u>
	Legal Debt Margin				<u>\$ 231,169,109</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 259,420,592	\$ 255,222,565	\$ 249,363,315	\$ 244,177,897	\$ 240,607,906
Total Net Debt Applicable to Limit	<u>26,448,000</u>	<u>25,483,000</u>	<u>24,375,000</u>	<u>23,260,000</u>	<u>22,105,000</u>
Legal Debt Margin	<u>\$ 232,972,592</u>	<u>\$ 229,739,565</u>	<u>\$ 224,988,315</u>	<u>\$ 220,917,897</u>	<u>\$ 218,502,906</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.20%	9.98%	9.77%	9.53%	9.19%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 239,019,034	\$ 239,142,641	\$ 242,144,658	\$ 243,791,696	\$ 246,759,109
Total Net Debt Applicable to Limit	<u>20,900,000</u>	<u>19,645,000</u>	<u>18,340,000</u>	<u>16,990,000</u>	<u>15,590,000</u>
Legal Debt Margin	<u>\$ 218,119,034</u>	<u>\$ 219,497,641</u>	<u>\$ 223,804,658</u>	<u>\$ 226,801,696</u>	<u>\$ 231,169,109</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.74%	8.21%	7.57%	6.97%	6.32%

\* - Limit set by NJSA 18A:24-19 for a 9 through 12 district; other % limits would be applicable for other districts.

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



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

BOROUGH OF HILLSDALE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	10,265	\$ 706,899,225	\$ 68,865	5.80%
2012	10,336	742,011,104	71,789	5.90%
2013	10,364	736,880,400	71,100	6.20%
2014	10,377	764,131,149	73,637	4.70%
2015	10,403	799,168,863	76,821	4.00%
2016	10,393	809,625,093	77,901	4.00%
2017	10,412	845,485,636	81,203	4.00%
2018	10,405	894,320,155	85,951	3.80%
2019	10,307	885,896,957 ***	85,951 *	2.80%
2020	10,307 **	885,896,957 ***	85,951 *	N/A

BOROUGH OF MONTVALE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	7,946	\$ 547,201,290	\$ 68,865	5.90%
2012	8,058	578,475,762	71,789	6.00%
2013	8,129	577,971,900	71,100	5.70%
2014	8,219	605,222,503	73,637	4.70%
2015	8,337	640,456,677	76,821	3.90%
2016	8,415	655,536,915	77,901	3.90%
2017	8,586	697,208,958	81,203	3.90%
2018	8,600	739,178,600	85,951	3.70%
2019	8,570	736,600,070 ***	85,951 *	2.50%
2020	8,570 **	736,600,070 ***	85,951 *	N/A

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

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

\*\*\* - Latest Bergen County per capita personal income available (2018) and municipal population data available (2019) was used for calculation purposes.

N/A - Information Not Available

Source:

**a** - Population information provided by the US Department of Census - Population Division.

**b** - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

**c** - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

**d** - Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

TOWNSHIP OF RIVER VALE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	9,742	\$ 670,882,830	\$ 68,865	4.90%
2012	9,790	702,814,310	71,789	4.90%
2013	9,825	698,557,500	71,100	7.80%
2014	9,870	726,797,190	73,637	4.30%
2015	9,912	761,449,752	76,821	4.00%
2016	10,041	782,203,941	77,901	3.80%
2017	10,066	817,389,398	81,203	3.80%
2018	10,062	864,838,962	85,951	3.50%
2019	9,984	858,134,784 ***	85,951 *	2.50%
2020	9,984 **	858,134,784 ***	85,951 *	N/A

BOROUGH OF WOODCLIFF LAKE

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	5,743	\$ 395,491,695	\$ 68,865	3.30%
2012	5,763	413,720,007	71,789	3.30%
2013	5,758	409,393,800	71,100	6.50%
2014	5,778	425,474,586	73,637	4.00%
2015	5,836	448,327,356	76,821	3.40%
2016	5,820	453,383,820	77,901	3.00%
2017	5,803	471,221,009	81,203	3.00%
2018	5,862	503,844,762	85,951	3.00%
2019	5,839	501,867,889 ***	85,951 *	2.20%
2020	5,839 **	501,867,889 ***	85,951 *	N/A

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

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

\*\*\* - Latest Bergen County per capita personal income available (2018) and municipal population data available (2019) was used for calculation purposes.

N/A - Information Not Available

Source:

- a** - Population information provided by the US Department of Census - Population Division.
- b** - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- c** - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.
- d** - Unemployment data provided by the NJ Department of Labor and Workforce Development.

PASCACK VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Information was not available as of the date of these financial statements.

PASCACK 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	136	139	142	138	140	147	145	148	145	148
Special Education	23	23	24	27	26	35	34	44	45	50
Other Special Instruction	17	20	18	10	12	1	1	0	0	0
Other Instruction	0	0	0	0	0	1	1	1	1	1
Support Services:										
Student & Instruction Related Services	45	47	57	59	58	54	51	49	50	49
General Administrative Services	4	4	4	4	4	4	4	4	4	4
School Administrative Services	13	14	14	14	14	13	12	12	11	11
Plant Operations and Maintenance	30	30	31	31	31	33	31	34	35	33
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Business and Other Support Services	13	14	13	14	12	13	12	11	10	10
<b>Total</b>	<b>282</b>	<b>292</b>	<b>304</b>	<b>298</b>	<b>298</b>	<b>302</b>	<b>292</b>	<b>304</b>	<b>302</b>	<b>307</b>

Source: District Personnel Records.

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pascack Hills High School		Pascack Valley High School		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Pupil/Teacher Ratio	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>				
2011	2,075	\$ 42,153,195	\$ 20,315	2.31%	159	1:12	1:14	2,054.8	1,965.6	2,054.8	1,965.6	9.74%	95.66%
2012	2,066	42,502,822	20,573	1.27%	162	1:12	1:13	2,051.1	1,977.4	2,051.1	1,977.4	-0.18%	96.41%
2013	2,080	43,889,159	21,101	2.57%	175	1:10	1:13	2,037.6	1,953.1	2,037.6	1,953.1	-0.66%	95.85%
2014	2,062	44,975,090	21,811	3.37%	157	1:13	1:13	2,070.0	1,984.0	2,070.0	1,984.0	1.59%	95.85%
2015	2,042	47,860,521	23,438	7.46%	169	1:12	1:12	2,027.7	1,954.0	2,027.7	1,954.0	-2.04%	96.37%
2016	2,068	49,058,530	23,723	1.21%	172	1:12	1:12	2,059.4	1,985.4	2,059.4	1,985.4	1.56%	96.41%
2017	2,034	50,511,126	24,833	4.68%	174	1:11	1:12	2,026.2	1,941.5	2,026.2	1,941.5	-1.61%	95.82%
2018	2,052	53,656,133	26,148	5.29%	172	1:11	1:12	2,010.6	1,934.8	2,010.6	1,934.8	-0.77%	96.23%
2019	2,033	56,665,674	27,873	6.60%	171	1:12	1:12	2,022.1	1,939.9	2,022.1	1,939.9	0.57%	95.94%
2020	1,978	58,829,024	29,742	6.70%	173	1:11	1:12	1,950.9	1,894.3	1,950.9	1,894.3	-3.52%	97.10%

**a** - Operating expenditures equal total expenditures less debt service and capital outlay.

**b** - Teaching staff includes only full-time equivalents of certificated staff.

**c** - Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**d** - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

Note: Enrollment based on annual October District count.

Source: Pascack Valley Regional High School District records.

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

<u>District Building</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Pascack Valley High School (1962)											
Square Feet	171,594	171,594	171,594	171,594	200,807	200,807	200,807	200,807	200,807	200,807	200,807
* Capacity (students)	1,117	1,117	1,117	1,117	1,307	1,307	1,307	1,307	1,307	1,307	1,307
Enrollment	1,192	1,248	1,257	1,279	1,265	1,191	1,191	1,210	1,234	1,201	1,156
Pascack Hills High School (1954)											
Square Feet	161,870	161,870	161,870	161,870	193,037	193,037	193,037	193,037	193,037	193,037	193,037
* Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	810	827	809	801	835	842	842	824	818	832	822
Superintendent's Office Building											
Square Feet	877	877	877	877	877	877	877				
Board of Education Offices											
Square Feet	1,253	1,253	1,253	1,253	1,253	1,253	1,253				

Number of Schools at June 30, 2020  
 High School = 2

\* Based on Functional Capacity in District's LRFPP

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October District count.  
 Source: Pascack Valley Regional High School District Facilities Office.

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

Undistributed Expenditures - Required Maintenance  
 For School Facilities - Account #11-000-261-XXX:

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Pascack Hills HS	N/A	\$ 566,797	\$ 314,119	\$ 400,169	\$ 681,836	\$ 933,748
Pascack Valley HS	N/A	398,572	429,062	659,373	654,441	830,866
Total School Facilities		<u>965,369</u>	<u>743,181</u>	<u>1,059,542</u>	<u>1,336,277</u>	<u>1,764,614</u>
Grand Total		<u>\$ 965,369</u>	<u>\$ 743,181</u>	<u>\$1,059,542</u>	<u>\$1,336,277</u>	<u>\$ 1,764,614</u>

<u>School Facilities*</u>	<u>Project # (s)</u>	<u>Fiscal Year Ended June 30,</u>				
		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Pascack Hills HS	N/A	\$ 297,751	\$ 319,182	\$ 387,731	\$ 479,057	\$ 528,521
Pascack Valley HS	N/A	266,027	326,945	415,759	440,136	924,300
Total School Facilities		<u>563,778</u>	<u>646,127</u>	<u>803,490</u>	<u>919,193</u>	<u>1,452,820</u>
Grand Total		<u>\$ 563,778</u>	<u>\$ 646,127</u>	<u>\$ 803,490</u>	<u>\$ 919,193</u>	<u>\$ 1,452,820</u>

N/A - Not Applicable.

\* - School facilities as defined under EFCFA (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3).

Source: Pascack Valley Regional High School District records.

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Northeast Bergen County School Board Insurance Group- School Package		
Policy - Great American:		
Property - Blanket Building and Grounds:		
School Limit	\$ 96,384,920	\$ 5,000
Flood:		
Outside Zones A, V or B	5,000,000	50,000
Zones A or V	1,000,000	500,000
Earthquake	5,000,000	50,000
Boiler and Machinery - Great American:		
Property Damage	95,220,089	
General Liability - Great American:		
Per Occurrence	1,000,000	
Aggregate	2,000,000	
Commercial Automobile Liability - Great American:		
Combined Single Limit	1,000,000	
Comprehensive		1,000
Collision		1,000
Commercial Umbrella -		
Great American	9,000,000	10,000
Excess Umbrella -		
Fireman's Fund Insurance Company (Excess of \$9,000,000):		
Per Occurrence	50,000,000	
Group Aggregate	50,000,000	
Worker's Compensation - Safety National:		
Per Occurrence	Statutory	
Indemnity Employers Liability per Occurrence	1,000,000	



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

	<u>Coverage</u>	<u>Deductible</u>
Environmental Legal Liability - ACE		
Insurance Company:		
Per Occurrence	\$ 2,000,000	\$ 15,000
Aggregate	4,000,000	
Group Aggregate	20,000,000	
Crime Coverage - Selective Insurance Company:		
Primary (Per Employee)	100,000	5,000
Blanket Employee Dishonesty	400,000	
Forgery and Alterations	50,000	1,000
Educators Legal Liability - Darwin:		
Educators Legal Ded	1,000,000	35,000
Employment Practices Ded		35,000
Individual Bonds - Selective Insurance Company:		
School Business Administrator/Board Secretary	450,000	
Treasurer of School Monies	450,000	
Accidental Death and Dismemberment - Gerber Life Insurance		
Principal Sum (AD&D)	100,000	
Student and Athletic Accident - Peoples Benefit Life		
Insurance Company:	Catlin	
Accident Medical Expense Benefit	Basic	
Athletics	80% Coinsurance	25,000
Student		25,000
Accident Medical Expense Benefit - CAT		
Athletics	5,000,000	
Student	5,000,000	
Voluntary: Berkley Life	500,000	
Cyber Liability - XL Insurance		
1st Party/3rd Party	1,000,000/2,000,000	25,100/15,000
Policy Aggregate	6,000,000	
Excess Liability (unshared)	Excess of \$10,000,000	\$15,000,000/
Starstone/Markel		\$15,000,000

Source: Pascack Valley Regional High School District records.

**SINGLE AUDIT SECTION**

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Pascack Valley Regional High School District, in the County of Bergen (the "Board") as of, and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 16, 2020.

**Internal Control Over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Mount Arlington, New Jersey  
December 16, 2020

NISIVOCCIA LLP

*Francis Jones of Nisivoccia LLP*

Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant

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

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

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

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

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

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

Mount Arlington, New Jersey  
December 16, 2020

NISIVOCIA LLP

*Francis Jones of Nisivoccia LLP*

Francis Jones  
Licensed Public School Accountant #1154  
Certified Public Accountant

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

Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2019			Balance at June 30, 2020			Amounts Provided to Subrecipients
			From	To		Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Budgetary Unearned Revenue	Due to Grantor	
Special Revenue Fund:												
Passed-through State Department of Education:												
Elementary and Secondary Education Act:												
Title II - Part A	84.367	ESEA-3960-19	7/1/18	9/30/19	\$ 29,387	\$ (9,237)	\$ 9,237	\$ 18,395	\$ (22,588)	\$ (4,193)		
Title II - Part A	84.367	ESEA-3960-20	7/1/19	9/30/20	24,174	(9,237)	27,632	(22,588)	(4,193)			
Total Title II					1,028				(933)			
Title III	84.365	ESEA-3960-14	7/1/13	6/30/14	10,000	(1,000)	9,998	(9,998)	(933)			
Title IV	84.424	ESEA-3960-20	7/1/19	9/30/20	10,013	(1,000)	9,999	(9,998)	(933)			
Title IV	84.424	ESEA-3960-19	7/1/18	9/30/19	10,013	(1,000)	9,999	(9,998)	(933)			
Total Title IV												
Total No Child Left Behind						(9,238)	37,631	(32,586)	(933)	(4,193)		
Special Education Cluster:												
ID.E.A. Part B, Basic Regular	84.027	IDEA-3960-20	7/1/19	9/30/20	464,320	(48,209)	437,326	(455,762)	(18,436)			
ID.E.A. Part B, Basic Regular	84.027	IDEA-3960-19	7/1/18	9/30/19	452,737	(48,209)	48,209	(455,762)	(18,436)			
Total Special Education Cluster												
Total Special Revenue Fund						(57,447)	523,166	(488,348)	(933)	(22,629)		
Total U.S. Department of Education						(57,447)	523,166	(488,348)	(933)	(22,629)		
TOTAL FEDERAL AWARDS						(57,447)	523,166	(488,348)	(933)	(22,629)	\$ -0-	\$ -0-

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

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

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2019		Due to Grantor	Cash Received	Budgetary Expenditures	Prior Year Accounts Receivable Canceled	Repayment of Prior Years' Balances	Prior Year Balance Canceled	Balance at June 30, 2020		MEMO
				Budgetary (Accounts Receivable)	Unearned Revenue							GAAP (Accounts Receivable)	Budgetary Unearned Revenue	
General Fund:														
Special Education Categorical Aic	20-495-034-5120-089	7/1/19 6/30/20	\$ 1,165,749	\$	\$	\$	1,093,731	\$ (1,165,749)				\$	\$ (72,018)	\$ 1,165,749
Special Education Categorical Aic	19-495-034-5120-089	7/1/18 6/30/19	1,006,656				63,991							1,006,656
Security Aid	20-495-034-5120-084	7/1/19 6/30/20	35,828	\$			33,615	(35,828)						35,828
Security Aid	19-495-034-5120-084	7/1/18 6/30/19	35,828	(2,278)			2,278							35,828
Transportation Aid	20-495-034-5120-014	7/1/19 6/30/20	363,359				340,911	(363,359)						363,359
Transportation Aid	19-495-034-5120-014	7/1/18 6/30/19	363,359	(23,098)			23,098							363,359
Extraordinary Special Education Costs Aic	19-495-034-5120-044	7/1/18 6/30/19	673,707	(673,707)			673,707							673,707
Extraordinary Special Education Costs Aic	20-495-034-5120-044	7/1/19 6/30/20	956,863					(956,863)			\$	(956,863)		956,863
Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18 6/30/19	34,220	(34,220)										34,220
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18 6/30/19	1,536,517	(76,723)			76,723							1,536,517
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19 6/30/20	1,588,230				1,508,446	(1,588,230)				(79,784)		1,588,230
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19 6/30/20	1,638,840				1,638,840							1,638,840
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19 6/30/20	4,392,753				4,392,753	(4,392,753)						4,392,753
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19 6/30/20	78,735				78,735							78,735
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19 6/30/20	2,652				2,652	(2,652)						2,652
Total General Fund State Aic			9,983,700	(10,243,009)			9,983,700	(10,243,009)				(1,086,647)		13,893,296
Special Revenue Fund:														
NJ Nonpublic Aid:														
Auxiliary Services (Chapter 192):														
Compensatory Education	19-100-034-5120-067	7/1/18 6/30/19	76,989						\$	9,986			\$	9,986
Compensatory Education	20-100-034-5120-067	7/1/19 6/30/20	104,643				93,638	(86,312)				\$	18,331	86,312
Home Instruction	20-100-034-5120-067	7/1/19 6/30/20	1,301					(1,301)						1,301
Home Instruction	19-100-034-5120-066	7/1/18 6/30/19	60,967						10,750					49,517
Examination and Classification	20-100-034-5120-066	7/1/19 6/30/20	61,143				60,609	(47,030)						47,030
Examination and Classification	19-100-034-5120-066	7/1/18 6/30/19	49,956						6,658					43,298
Supplementary Instruction	20-100-034-5120-066	7/1/19 6/30/20	52,616				40,891	(43,389)						43,389
Supplementary Instruction	19-100-034-5120-066	7/1/18 6/30/19	1,785						1,339					446
Corrective Speech	20-100-034-5120-066	7/1/19 6/30/20	3,281				1,500	(2,187)						2,187
Corrective Speech	19-100-034-5120-064	7/1/18 6/30/19	22,108						223					21,885
Textbook Aid (Chapter 194)	20-100-034-5120-064	7/1/19 6/30/20	21,506				21,506	(3,072)						3,072
Textbook Aid (Chapter 194)	19-100-034-5120-064	7/1/19 6/30/20	48,403				48,403	(48,403)						48,403
Nursing Services (Chapter 226)	20-100-034-5120-373	7/1/19 6/30/20	14,688				14,688	(14,535)						14,535
Technology Initiative	19-100-034-5120-509	7/1/18 6/30/19	76,800						19,907					56,893
Security Aid	20-100-034-5120-509	7/1/19 6/30/20	74,850				74,850	(74,850)						74,850
Security Aid	19-100-034-5120-509	7/1/18 6/30/19	433											433
First Tech Challenge Grant - Robotics	N/A	7/1/13 6/30/14										\$	217	217
Anti-Bullying Bill of Rights Act														
Total Special Revenue Fund			356,085	(321,079)			356,085	(321,079)				(26,346)		560,338
Total State Department of Education			10,339,785	(10,564,088)			10,339,785	(10,564,088)				(1,062,993)		14,453,634

N/A - Not Available



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

State Grantor/Program Title NJ Schools Development Authority Capital Projects Fund: Educational Facilities Construction & Financing Act: Pascack Hills High School: A Wing Window Replacement Pascack Valley High School: 54-56 Wing Window Replacement 72 Wing Window Replacement Total Capital Projects Fund: Total NJ Schools Development Authority	Grant or State Project Number	Grant Period From To	Program or Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Prior Year Accounts Receivable Cancelled	Repayment of Prior Years' Balances	Prior Year Balance Cancelled	Balance at June 30, 2020		MEMO		
				Budgetary (Accounts Receivable)	Revenue						GAAP (Accounts Receivable)	Budgetary Unearned Revenue		Due to Grantor	(Budgetary Receivable)
	SP-3960-040-14-1002	06/09/14 - 6/30/20	\$ 284,377	\$ (77,148)			\$ 77,146			\$ 2			\$ 284,377		
	SP-3960-040-14-1004	06/09/14 - 6/30/20	211,806	(15,310)			15,310						211,806		
	SP-3960-040-14-1005	06/09/14 - 6/30/20	158,838										158,838		
				(92,458)			92,456			2			655,021		
				(92,458)			92,456			2			655,021		
				\$ (966,475)	\$ 217	\$ 48,865	\$ 10,519,785	\$ 92,456	\$ 48,863	\$ 2	\$ (1,065,993)	\$ 217	\$ 61,352	\$ (1,189,672)	\$ 15,108,655
Less: State Awards Not Subject to Single Audit Determination															
On-Behalf TPAF Pension System Contributions															
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19 - 6/30/20	(1,658,840)				\$ 1,658,840								
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19 - 6/30/20	(4,392,753)				4,392,753								
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19 - 6/30/20	(78,735)				78,735								
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19 - 6/30/20	(2,652)				2,652								
Subtotal - On-Behalf TPAF Pension System Contribution							6,132,980								
Total State Awards Subject to Single Audit Major Program Determination							\$ (4,431,108)								

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

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

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$7,312) for the general fund and (\$24,643) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

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

Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented below:

	Federal	State	Total
General Fund		\$10,168,858	\$10,168,858
Special Revenue Fund	\$ 488,348	296,436	784,784
Total Financial Assistance	\$ 488,348	\$10,465,294	\$10,953,642

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the fiscal year ended June 30, 2020.

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

Summary of Auditors' Results:

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

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education				
Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 1,165,749	\$ 1,165,749
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	35,828	35,828
Reimbursed TPAF Social				
Security Aid	20-495-034-5094-003	7/1/19-6/30/20	1,521,391	1,521,391
Extraordinary Special				
Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	956,863	956,863

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

Summary of Auditors' Results: (Cont'd)

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

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

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.