

**LENAPE VALLEY REGIONAL
HIGH SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

**Comprehensive Annual
Financial Report**

of the

**Lenape Valley Regional
High School District**

Stanhope, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

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

Richard D. Kuncken, President
Kim Dachisen, Vice President

Gregory Brennan
Interim School Business Administrator/
Board Secretary
Telephone (973) 347-7600 ext. 5104
Fax (973) 347-2536

October 15, 2021

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Lenape Valley Regional High School District (the "District") for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes The Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Lenape Valley Regional High School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Lenape Valley Regional High School District and its school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 9 through 12. These include regular, vocational and special education for handicapped students. The District completed the 2020-2021 fiscal year with an enrollment of 672 students, which is a decrease of 10 students from the previous year's enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: Lenape Valley is a regional school district serving approximately 668 students from three sending districts. Students come from Byram Township and Stanhope Borough in Sussex County, New Jersey, and the Borough of Netcong in Morris County, New Jersey. The regional high school is situated on a 57.30-acre tract of land located in the northeastern part of Stanhope Borough at 28 Sparta Road. Byram Township (the "Township") is situated in the southwesterly section of Sussex County. The Township is bordered on the north by Sparta Township, on the northwest by Green and Andover Townships, on the east and southeast by Hopatcong Borough, on the south by Stanhope Borough, on the southwest by Mt. Olive Township in Morris County and on the west by Allamuchy Township in Warren County. Route 206, which serves as an access corridor linking Interstate Route 80 with other larger towns in Sussex County.

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

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

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

3. MAJOR INITIATIVES: During the 2020-2021 school year, the district completed one major capital project. The Media Center was renovated to create more of a modern study space for the students at a cost of \$862,400.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2021.
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found on Exhibit J-20.
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

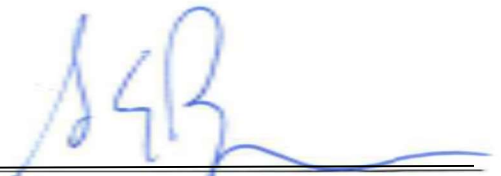
The Honorable President and Members
of the Board of Education
Lenape Valley Regional High School District
Page 4
October 15, 2021

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

Respectfully submitted,



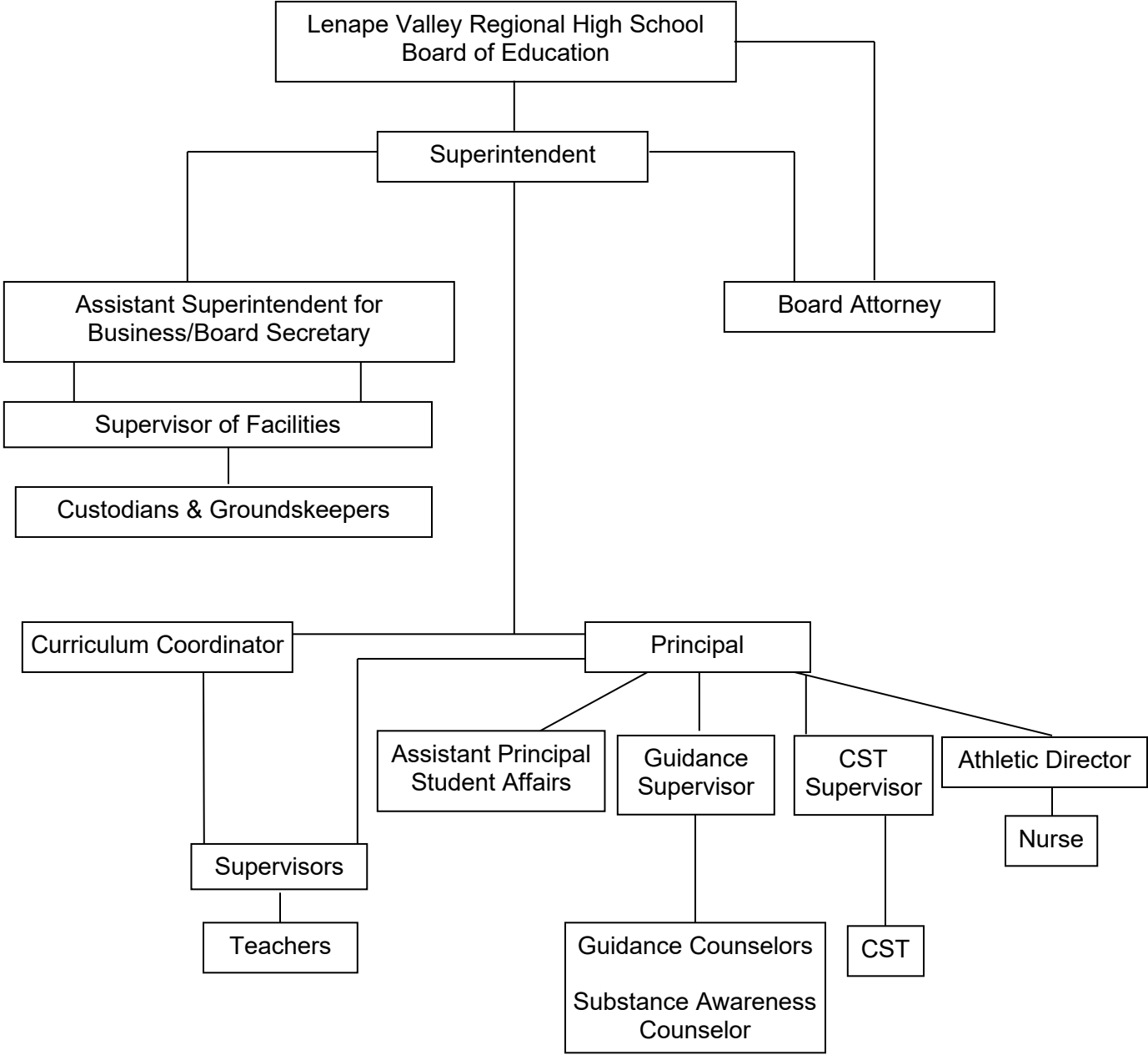
Michael A. Rossi, Jr.
Superintendent



Gregory Brennan
Interim School Business Administrator

LENAPE VALLEY REGIONAL BOARD OF EDUCATION

ORGANIZATIONAL CHART



LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Roster of Officials
Year Ended June 30, 2021

<u>Regional High School District Board Members</u>	<u>Term Expires</u>
Richard Kuncken, President Byram Township	2022
Kim Dachisen, Vice President Byram Township	2021
Katy Cherry Byram Township	2023
Sherry Fehir Stanhope Borough	2023
MaryLu Costanzo Netcong Borough	2021
Shelley Credidio Byram Township	2023
Steven McHugh Byram Township	2021
Saliha Iftikhar Stanhope Borough	2022
Karen Moros Netcong Borough	2021

Other Officials

Title

Michael A. Rossi, Jr.	Superintendent
Gregory Brennan	Interim School Business Administrator/Board Secretary
Kerry Ann Keane	Treasurer of School Monies

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
Consultants and Advisors
Year Ended June 30, 2021

Audit Firm

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

And

Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Attorney

John Comegno, Esq.
Comegno Law Group, PC
521 Pleasant Valley Ave
Moorestown, NJ 08057

Official Depository

Lakeland Bank
80 US Highway 206
Stanhope, New Jersey 07874

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lenape Valley Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lenape Valley Regional High School District, in the County of Sussex, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 18 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The 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 October 15, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

October 15, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

This section of Lenape Valley Regional High School’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2021. 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.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

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

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

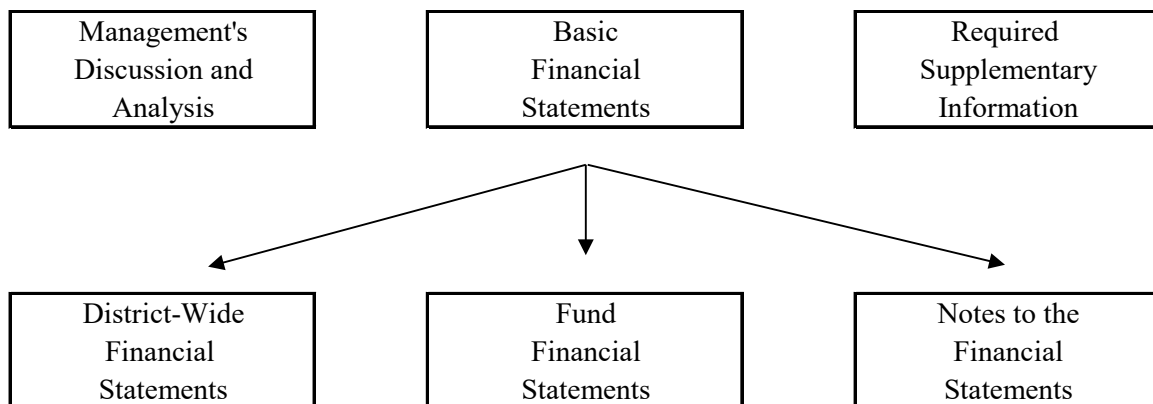


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
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
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
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

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position was \$7,094,091 on June 30, 2021, \$1,758,055 or 32.95% more than it was the year before (See Figure A-3). Net position from governmental activities increased \$1,778,887 and net position from business-type activities decreased by \$20,832 (See Figure A-4). Net investment in capital assets increased \$798,530, restricted net position increased \$663,056 and unrestricted net position increased \$296,469.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021	2020*	2021	2020	2021	2020*	
Current and							
Other Assets	\$3,881,976	\$2,854,755	\$ 5,728	\$ 22,333	\$3,887,704	\$2,877,088	
Capital Assets, Net	7,477,075	6,452,031	8,117	9,603	7,485,192	6,461,634	
Total Assets	11,359,051	9,306,786	13,845	31,936	11,372,896	9,338,722	21.78%
Deferred Outflows of Resources	542,422	746,928			542,422	746,928	-27.38%
Other Liabilities	292,376	170,000	4,328	1,587	296,704	171,587	
Long-Term Liabilities	3,246,734	3,367,960			3,246,734	3,367,960	
Total Liabilities	3,539,110	3,537,960	4,328	1,587	3,543,438	3,539,547	0.11%
Deferred Inflows of Resources	1,277,789	1,210,067			1,277,789	1,210,067	5.60%
Net Position:							
Net Investment in							
Capital Assets	7,207,161	6,407,145	8,117	9,603	7,215,278	6,416,748	
Restricted	3,134,246	2,471,190			3,134,246	2,471,190	
Unrestricted/(Deficit)	(3,256,833)	(3,572,648)	1,400	20,746	(3,255,433)	(3,551,902)	
Total Net Position	\$7,084,574	\$5,305,687	\$ 9,517	\$ 30,349	\$7,094,091	\$5,336,036	32.95%

* - Restated

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Financial Analysis of the District as a Whole

Changes in net position. The District's combined net position increased by \$1,758,055 or 32.95%. Net investment in capital assets increased mainly due to capital additions offset by depreciation expense and a net change in capital leases. Restricted net position increased mainly due to an increase in restricted excess surplus, student activities and scholarships. Unrestricted net position increased primarily due to an increase in unassigned fund balanced combined with a decrease in the net pension liability. (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021	2020	2021	2020	2021	2020	
Revenue:							
Program Revenue:							
Charges for Services	\$ 223,654	\$ 15,211	\$ 2,462	\$ 104,764	\$ 226,116	\$ 119,975	
Operating Grants & Contributions	4,492,072	4,069,263	45,928	44,502	4,538,000	4,113,765	
General Revenue:							
Property Taxes	11,127,356	10,909,173			11,127,356	10,909,173	
Unrestricted Federal & State Aid	4,084,532	4,195,809			4,084,532	4,195,809	
Other	64,981	49,794	18	64	64,999	49,858	
Total Revenue	19,992,595	19,239,250	48,408	149,330	20,041,003	19,388,580	3.36%
Expenses:							
Instruction	9,929,111	9,529,634			9,929,111	9,529,634	
Pupil & Instruction Services	3,804,371	3,500,508			3,804,371	3,500,508	
Administration and Business	1,998,682	1,955,349			1,998,682	1,955,349	
Maintenance & Operations	1,364,999	1,696,402			1,364,999	1,696,402	
Transportation	1,116,545	877,504			1,116,545	877,504	
Other			69,240	158,758	69,240	158,758	
Total Expenses	18,213,708	17,559,397	69,240	158,758	18,282,948	17,718,155	3.19%
Change in Net Position	\$ 1,778,887	\$ 1,679,853	\$ (20,832)	\$ (9,428)	\$ 1,758,055	\$ 1,670,425	5.25%

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Governmental Activities

The governmental financial position of the District increased by 33.53%. However, maintaining existing programs with expected increased regular pupil enrollment and the provision of a multitude of special programs and services for disabled pupils place great demands on the District’s resources. During the past several years, numerous veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated significant salary savings, but these have not been sufficient enough to provide for increased tuition costs for private schools for students with disabilities and increased insurance costs. As a result, the three municipalities in the regional district were subject to a tax increase in 2021.

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

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

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

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

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

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2021	2020	2021	2020
Instruction	\$ 9,929,111	9,529,634	\$ 6,416,450	\$ 6,431,751
Pupil & Instruction Services	3,804,371	3,500,508	3,160,593	3,077,921
Administration and Business	1,998,682	1,955,349	1,664,887	1,635,280
Maintenance & Operations	1,364,999	1,696,402	1,329,467	1,634,169
Transportation	1,116,545	877,504	926,585	695,802
Total	\$ 18,213,708	\$ 17,559,397	\$ 13,497,982	\$ 13,474,923

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Business-Type Activities

Net position from the District’s business-type activities decreased \$20,832 as a result of operating losses offset by non-operating income. (Refer to Figure A-4).

Financial Analysis of the District’s Funds

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

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

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

General Fund Budgetary Highlights

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

Capital Asset and Long Term Liabilities

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021	2020	2021	2020	2021	2020	
Land	\$ 98,915	\$ 98,915			\$ 98,915	\$ 98,915	
Site Improvements	4,147	5,806			4,147	5,806	
Buildings & Bldg. Imps.	6,035,765	5,381,571			6,035,765	5,381,571	
Machinery, Furniture and Equipment	1,312,472	965,739	\$ 8,118	\$ 9,603	1,320,590	975,342	
Total	\$ 7,477,075	\$ 6,452,031	\$ 8,118	\$ 9,603	\$ 7,485,193	\$ 6,461,634	15.84%

**LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

Long-Term Liabilities

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

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percent Change
	2021	2020	
Compensated Absences Payable	\$ 533,238	\$ 475,051	
Net Pension Liability	2,443,582	2,848,023	
Capital Leases Payable	269,914	44,886	
Total	\$ 3,246,734	\$ 3,367,960	-3.60%

Factors Bearing on the District's Future

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,074,258	\$ 2,480	\$ 3,076,738
Receivable from State Government	254,000	159	254,159
Receivable from Federal Government	52,115		52,115
Other Accounts Receivable	6,048		6,048
Internal Balances	1,152	(1,152)	
Inventories		4,241	4,241
Restricted Cash and Cash Equivalents	494,403		494,403
Capital Assets:			
Site (Land)	124,691		124,691
Depreciable Site Improvements, Building and Building Improvements, Furniture, Machinery and Equipment	7,352,384	8,117	7,360,501
Total Assets	11,359,051	13,845	11,372,896
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	542,422		542,422
Total Deferred Outflows of Resources	542,422		542,422
LIABILITIES			
Current Liabilities:			
Payable to Federal Government	393		393
Accounts Payable	282,983	1,793	284,776
Unearned Revenue	9,000	2,535	11,535
Noncurrent Liabilities:			
Due Within One Year	72,402		72,402
Due Beyond One Year	3,174,332		3,174,332
Total Liabilities	3,539,110	4,328	3,543,438
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,277,789		1,277,789
Total Deferred Inflows of Resources	1,277,789		1,277,789
NET POSITION			
Net Investment in Capital Assets	7,207,161	8,117	7,215,278
Restricted for:			
Capital Projects	248,274		248,274
Excess Surplus	2,639,843		2,639,843
Unemployment Compensation	48,891		48,891
Student Activities	171,850		171,850
Scholarships	25,388		25,388
Unrestricted/(Deficit)	(3,256,833)	1,400	(3,255,433)
Total Net Position	\$ 7,084,574	\$ 9,517	\$ 7,094,091

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
Instruction:							
Regular	\$ 7,450,753	\$ 60,700	\$ 1,966,676		\$ (5,423,377)		\$ (5,423,377)
Special Education	1,335,553		1,160,470		(175,083)		(175,083)
Other Instruction	11,245		37,868		26,623		26,623
School Sponsored Instruction	1,131,560		286,947		(844,613)		(844,613)
Support Services:							
Tuition	861,662				(861,662)		(861,662)
Student & Instruction Related Services	2,942,709	162,954	480,824		(2,298,931)		(2,298,931)
General Administration Services	564,380		91,411		(472,969)		(472,969)
School Administration Services	599,201		137,536		(461,665)		(461,665)
Central Services	631,092		95,374		(535,718)		(535,718)
Administration Information Technology	204,009		9,474		(194,535)		(194,535)
Plant Operations and Maintenance	1,364,999		35,532		(1,329,467)		(1,329,467)
Pupil Transportation	1,116,545		189,960		(926,585)		(926,585)
Total Governmental Activities	18,213,708	223,654	4,492,072	\$ -0-	(13,497,982)	\$ -0-	(13,497,982)

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Business-Type Activities:							
Food Service	\$ 69,240	\$ 2,462	\$ 45,928		\$ (20,850)	\$ (20,850)	\$ (20,850)
Total Primary Government	\$ 18,282,948	\$ 226,116	\$ 4,538,000	\$ -0-	\$ (13,497,982)	(20,850)	(13,518,832)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					11,127,356		11,127,356
Federal and State Aid not Restricted					4,084,532		4,084,532
Miscellaneous Income					64,981	18	64,999
Total General Revenue					15,276,869	18	15,276,887
Change in Net Position					1,778,887	(20,832)	1,758,055
Net Position - Beginning (Restated)					5,305,687	30,349	5,336,036
Net Position - Ending					\$ 7,084,574	\$ 9,517	\$ 7,094,091

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

FUND FINANCIAL STATEMENTS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS:			
Cash and Cash Equivalents	\$ 3,074,258		\$ 3,074,258
Interfunds Receivable	43,874		43,874
Receivable from State Government	254,000		254,000
Receivable from Federal Government		\$ 52,115	52,115
Other Receivables	6,048		6,048
Restricted Cash and Cash Equivalents	297,165	197,238	494,403
Total Assets	<u>\$ 3,675,345</u>	<u>\$ 249,353</u>	<u>\$ 3,924,698</u>
FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 110,983		\$ 110,983
Intergovernmental Payable - Federal		\$ 393	393
Interfunds Payable		42,722	42,722
Unearned Revenue		9,000	9,000
Total Liabilities	<u>110,983</u>	<u>52,115</u>	<u>163,098</u>
Fund Balances:			
Restricted:			
Excess Surplus - 2021-2022	1,369,665		1,369,665
Excess Surplus - 2020-2021	1,270,178		1,270,178
Capital Reserve Account	248,274		248,274
Unemployment Compensation	48,891		48,891
Student Activities		171,850	171,850
Scholarships		25,388	25,388
Assigned:			
Designated for Subsequent Year's Expenditures	230,180		230,180
Unassigned	397,174		397,174
Total Fund Balances	<u>3,564,362</u>	<u>197,238</u>	<u>3,761,600</u>
Total Liabilities and Fund Balances	<u>\$ 3,675,345</u>	<u>\$ 249,353</u>	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	7,477,075
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(2,443,582)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows - Pensions	370,422
Deferred Inflows - Pensions	(1,277,789)
Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	<u>(803,152)</u>
Net Position of Governmental Activities	<u>\$ 7,084,574</u>

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUE:			
Local Sources:			
Local Tax Levy	\$ 11,127,356		\$ 11,127,356
Tuition from Other LEA's Within the State	60,700		60,700
Rents and Royalties	9,135		9,135
Sale of Capital Assets	457		457
Interest Earned on Capital Reserve Funds			
Restricted Miscellaneous		\$ 163,954	163,954
Unrestricted Miscellaneous	55,389		55,389
Total - Local Sources	<u>11,253,037</u>	<u>163,954</u>	<u>11,416,991</u>
State Sources	7,757,286		7,757,286
Federal Sources		259,880	259,880
Total Revenue	<u>19,010,323</u>	<u>423,834</u>	<u>19,434,157</u>
EXPENDITURES:			
Current:			
Regular Instruction	4,238,928	108,862	4,347,790
Special Education Instruction	668,528	152,018	820,546
Other Instruction	11,245		11,245
School Sponsored Instruction	700,649		700,649
Support Services and Undistributed Costs:			
Tuition	861,662		861,662
Student & Instruction Related Services	1,794,737	134,273	1,929,010
General Administration Services	384,405		384,405
School Administration Services	334,867		334,867
Central Services	401,494		401,494

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

EXPENDITURES (Cont'd):

Support Services and Undistributed Costs: (Cont'd)
Administrative Information Technology
Plant Operations and Maintenance
Pupil Transportation
Unallocated Benefits
Capital Outlay

Total Expenditures

Net Change in Fund Balances

OTHER FINANCING SOURCES:

Capital Leases (Non-Budgeted)

Total Other Financing Sources

Net Change in Fund Balances

Fund Balance—July 1 (Restated)

Fund Balance—June 30

	General Fund	Special Revenue Fund	Total Governmental Funds
	\$ 134,236		\$ 134,236
	1,263,515		1,263,515
	857,267		857,267
	5,267,974		5,267,974
	1,519,222		1,519,222
	18,438,729	\$ 395,153	18,833,882
	571,594	28,681	600,275
	306,570		306,570
	306,570		306,570
	878,164	28,681	906,845
	2,686,198	168,557	2,854,755
	\$ 3,564,362	\$ 197,238	\$ 3,761,600

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 906,845

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

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

Capital Outlays	\$ 1,392,277
Disposals Net of Accumulated Depreciation	(4,865)
Depreciation Expense	<u>(362,368)</u>
	1,025,044

Proceeds from capital leases are a financing source in the governmental funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Assets. (306,570)

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (58,187)

Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 81,542

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	404,441
Change in Deferred Outflows	(206,506)
Change in Deferred Inflows	<u>(67,722)</u>

Change in Net Position of Governmental Activities (A-2) \$ 1,778,887

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,480
Intergovernmental Accounts Receivable:	
State	159
Inventories	<u>4,241</u>
Total Current Assets	<u>6,880</u>
Non-Current Assets:	
Capital Assets:	
Depreciable Furniture, Machinery and Equipment	68,295
Less: Accumulated Depreciation	<u>(60,178)</u>
Total Non-Current Assets	<u>8,117</u>
Total Assets	<u>14,997</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	1,793
Unearned Revenue - Donated Commodities	2,535
Interfund Payable - General Fund	<u>1,152</u>
Total Liabilities	<u>5,480</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	8,117
Unrestricted	<u>1,400</u>
Total Net Position	<u>\$ 9,517</u>

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 1,137
Miscellaneous	1,325
	2,462
Total Operating Revenue	2,462
Operating Expenses:	
Cost of Sales - Reimbursable Programs	18,921
Salaries, Benefits & Payroll Taxes	28,545
Supplies, Insurance & Other Costs	2,589
Management Fee	9,270
Miscellaneous Expense	8,430
Depreciation Expense	1,485
	69,240
Total Operating Expenses	69,240
Operating Loss	(66,778)
Non-Operating Income:	
Interest Income	18
State Sources:	
Seamless Summer Option	965
June Supplemental	159
Federal Sources:	
Seamless Summer Option - Breakfast	15,117
Seamless Summer Option - Lunch	24,387
Food Distribution Program	5,300
	45,946
Total Non-Operating Income	45,946
Change in Net Position	(20,832)
Net Position - Beginning of Year	30,349
Net Position - End of Year	\$ 9,517

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,462
Payments to Food Service Vendor	(48,899)
Payments for Miscellaneous Expenses	(8,430)
Net Cash Used for Operating Activities	<u>(54,867)</u>
Cash Flows from Investing Activities:	
Interest Income	18
Net Cash Provided by Investing Activities	<u>18</u>
Cash Flows from Noncapital Financing Activities:	
School Breakfast and National Lunch Program Reimbursements	39,584
State School Program Reimbursements	1,325
Net Cash Provided by Noncapital Financing Activities	<u>40,909</u>
Net (Decrease) in Cash and Cash Equivalents	(13,940)
Cash and Cash Equivalents, July 1	<u>16,420</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,480</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (66,778)
Adjustment to Reconcile Operating Loss to Cash Used for Operating Activities:	
Depreciation	1,485
Food Distribution Program	5,300
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	1,233
Increase/(Decrease) in Unearned Revenue	948
Increase/(Decrease) in Accounts Payable	1,793
Increase/(Decrease) in Interfund Payable	1,152
Net Cash Used for Operating Activities	<u>\$ (54,867)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized USDA Donated Commodities through the Food Distribution Program valued at \$6,248 and \$5,300, respectively, for the fiscal year ended June 30, 2021.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements: (Cont'd)

Capital Projects Fund:

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

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

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 18,999,111	\$ 423,834
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	482,483	
Current Year State Aid Payments recognized for Budgetary purposes, not recognized for GAAP Statements	<u>(471,271)</u>	
Total Revenues as reported on the Statement of Revenues, Expenditures & Changes in Fund Balances - Governmental Funds	<u>\$ 19,010,323</u>	<u>\$ 423,834</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 18,438,729</u>	<u>\$ 395,153</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, & Changes in Fund Balances - Governmental Funds	<u>\$ 18,438,729</u>	<u>\$ 395,153</u>

E. Cash and Cash Equivalents, and Investments:

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2021.

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$3,564,362 General Fund balance at June 30, 2021, \$248,274 is restricted in the capital reserve account; \$48,891 is restricted for unemployment compensation; \$2,639,843 is restricted as excess surplus, \$1,369,665 from the current year and \$1,270,178 from the prior year which must be included as anticipated revenue for the fiscal years ending June 30, 2023 and June 30, 2022, respectively in accordance with N.J.S.A. 18A:7F-7 as amended; \$230,180 assigned fund balance which has been included as anticipated revenue for the fiscal year ending June 30, 2022; and \$397,174 is unassigned which is \$471,271 less than the calculated budgetary unassigned fund balance due to the last two state aid payments, which are not recognized on the GAAP basis until the next fiscal year.

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

Special Revenue Fund: Of the \$197,238 Special Revenue Fund fund balance at June 30, 2021 \$171,850 is restricted for student activities and \$25,388 is restricted for Scholarships.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$471,271 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the related state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2021 for pensions. The District had deferred inflows of resources at June 30, 2021 for pensions.

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

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

R. Deficit Net Position:

There is a deficit in unrestricted governmental activities net position in the amount of \$3,256,833. The deficit is primarily due to compensated absences payable and the net pension liability.

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, excess surplus, student activities, scholarships and for unemployment compensation.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have any committed resources at June 30, 2021.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District had assigned resources for amounts designed for subsequent year's expenditures in the General Fund at June 30, 2021.

T. Revenue - Exchange and Non-exchange Transactions:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

Deposits:

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

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

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Investments:

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 3,076,738	\$ 494,403	\$ 3,571,141

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$3,571,141 and the bank balance was \$3,785,898.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 98,915			\$ 98,915
Construction in Progress		\$ 25,776		25,776
Total Capital Assets not being Depreciated	<u>98,915</u>	<u>25,776</u>		<u>124,691</u>
Capital Assets being Depreciated:				
Site Improvements	82,940			82,940
Buildings and Building Improvements	12,395,211	876,000		13,271,211
Furniture, Machinery and Equipment	3,479,371	490,501	\$ (38,043)	3,931,829
Total Capital Assets being Depreciated	<u>15,957,522</u>	<u>1,366,501</u>	<u>(38,043)</u>	<u>17,285,980</u>
Governmental Activities Capital Assets	<u>16,056,437</u>	<u>1,392,277</u>	<u>(38,043)</u>	<u>17,410,671</u>
Less Accumulated Depreciation for:				
Site Improvements	(77,134)	(1,659)		(78,793)
Buildings and Building Improvements	(7,013,640)	(221,806)		(7,235,446)
Furniture, Machinery and Equipment	(2,513,632)	(138,903)	33,178	(2,619,357)
Total Accumulated Depreciation	<u>(9,604,406)</u>	<u>(362,368)</u>	<u>33,178</u>	<u>(9,933,596)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,452,031</u>	<u>\$ 1,029,909</u>	<u>\$ (4,865)</u>	<u>\$ 7,477,075</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 68,295			\$ 68,295
Less Accumulated Depreciation	(58,693)	\$ (1,485)		(60,178)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,602</u>	<u>\$ (1,485)</u>	<u>\$ - 0 -</u>	<u>\$ 8,117</u>
Total Governmental and Business-Type Activities	<u>\$ 6,461,633</u>	<u>\$ 1,028,424</u>	<u>\$ (4,865)</u>	<u>\$ 7,485,192</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 131,832
Special Education Instruction	20,792
Other Instruction	22,140
Student and Instruction Related Services	82,615
General Administrative Services	11,955
School Administrative Services	10,415
Central Services	12,487
Administrative Information Technology	4,175
Plant Operations and Maintenance	39,296
Pupil Transportation	<u>26,661</u>
Total Depreciation	<u>\$ 362,368</u>

NOTE 5. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District transferred \$5,500 to the capital outlay accounts for equipment which did not require approval from the County Superintendent.

NOTE 6. CAPITAL RESERVE ACCOUNT

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. CAPITAL RESERVE ACCOUNT (cont'd)

The activity of the capital reserve for fiscal year ending June 30, 2021 is as follows:

Beginning Balance at July 1, 2020	\$ 247,817
Interest Earnings	457
Ending Balance at June 30, 2021	\$ 248,274

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

NOTE 7. OPERATING LEASES

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

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2020	Issued/ Accrued	Matured/ Retired	Balance 6/30/2021
Capital Lease Payable	\$ 44,886	\$ 306,570	\$ 81,542	\$ 269,914
Net Pension Liability	2,848,023		404,441	2,443,582
Compensated Absences Payable	475,051	62,710	4,523	533,238
	\$ 3,367,960	\$ 369,280	\$ 490,506	\$ 3,246,734

A. Bonds Payable:

The District had no bonds outstanding as of June 30, 2021.

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the Board had no bonds authorized but not issued.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. LONG-TERM LIABILITIES (CONT'D)

C. Capital Leases Payable:

The District is leasing buses totaling \$401,436 under capital leases at June 30, 2021. All capital leases are for terms of five years. The District has entered into capital leases totaling \$401,436 of which \$131,522 has been liquidated as of June 30, 2021. The General Fund will be used to liquidate capital leases payable. The following is a schedule of the future minimum lease payments under capital leases and the present value of the net minimum lease payments at June 30, 2021:

Year Ending June 30,	Amount
2022	\$ 77,309
2023	77,308
2024	63,151
2025	63,151
	280,919
Less: Amount representing interest	(11,005)
Present Value of Net Minimum Lease Payments	\$ 269,914

The current portion is \$72,402 and the long-term portion is \$197,512.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a current and long-term liability and will be liquidated through the General Fund. The current portion of the liability is \$-0- and the long-term portion is \$533,238.

The District had no liability at June 30, 2021 for compensated absences associated with its Food Service Enterprise Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$2,443,582. See Note 9 for further information on the PERS.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

<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 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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 \$163,923 for 2021.

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

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

At June 30, 2021, the District reported a liability of \$2,443,582 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.01498%, which was an decrease of 0.00082% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$33,710. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 79,273	
	2017	5.48		\$ (231,305)
	2018	5.63		(226,926)
	2019	5.21		(180,212)
	2020	5.16		(384,708)
				<u>79,273</u>
Changes in Proportion	2016	5.57	3,803	
	2017	5.48		(75,456)
	2018	5.63	159,328	
	2019	5.21		(21,413)
	2020	5.16		(149,127)
				<u>163,131</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(29,902)	
	2018	5.00	(27,732)	
	2019	5.00	6,711	
	2020	5.00	134,447	
			<u>83,524</u>	
Difference Between Expected and Actual Experience	2016	5.57	2,406	
	2017	5.48	6,879	
	2018	5.63		(8,642)
	2019	5.21	13,776	
	2020	5.16	21,433	
			<u>44,494</u>	<u>(8,642)</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	172,000	
			<u>\$ 542,422</u>	<u>\$ (1,277,789)</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (306,623)
2022	(279,549)
2023	(159,755)
2024	(64,302)
2025	(14,273)
	\$ (824,502)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 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, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 3,069,248	\$ 2,443,582	\$ 1,902,681

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 annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th 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 Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$1,729,637 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,394,206.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$38,501,809. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.0585%, which was a decrease of 0.0024% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>38,501,809</u>
Total	<u>\$ 38,501,809</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$2,394,206 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 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, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 45,224,883	\$ 38,501,809	\$ 32,919,424

Pension Plan Fiduciary Net Position - TPAF

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$3,700 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$7,644 for the fiscal year ended June 30, 2021.

NOTE 10. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The financial information for the fiscal year ending June 30, 2021 was not available as of the date of the audit. Selected financial information for the SAIF as of June 30, 2020 is as follows:

Total Assets	\$ 51,526,293
Net Position	\$ 20,539,909
Total Revenue	\$ 43,264,716
Total Expenses	\$ 41,642,794
Change in Net Position	\$ 1,621,922
Members Dividends	\$ -0-

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

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

New Jersey Unemployment Compensation Insurance

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

The following is a summary of the District's contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

Fiscal Year	Employee and District Contributions and Interest	Amount Reimbursed	Ending Balance
2020-2021	\$ 18,523	\$ 5,097	\$ 48,891
2019-2020	13,075	5,482	35,465
2018-2019	32,943	33,745	27,872

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Health Benefits

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

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

HIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The June 30, 2021 audit report is not available as of the date of this report. Selected summarized financial information for HIF as of June 30, 2020 is as follows:

Total Assets	<u>\$ 149,856,532</u>
Net Position	<u>\$ 111,401,500</u>
Total Revenue	<u>\$ 282,680,579</u>
Total Expenses	<u>\$ 242,520,115</u>
Change in Net Position	<u>\$ 40,160,464</u>
Members Dividends	<u>\$ 17,196,879</u>

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfund receivable and payable at June 30, 2021.

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 43,874	
Special Revenue Fund		\$ 42,722
Enterprise Fund		1,152
	\$ 43,874	\$ 43,874

The interfund receivable in the General Fund and the interfund payable in the Special Revenue Fund represents a transfer to cover a cash deficit. The interfund payable in the Enterprise Fund is for June 2021 grant receipts that were advanced to the Enterprise Fund from the General Fund.

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 14. TAX CALENDAR

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

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

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

The District did not have any encumbrances at June 30, 2021.

NOTE 16. ACCOUNTS PAYABLE

	<u>General Fund</u>	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Business-Type Activities Proprietary Funds</u>
Payroll Deductions and Withholdings	\$ 110,983		\$ 110,983	
Due to State of New Jersey		\$ 172,000	172,000	
Vendors				\$ 1,793
	<u>\$ 110,983</u>	<u>\$ 172,000</u>	<u>\$ 282,983</u>	<u>\$ 1,793</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

Employees Covered by Benefit Terms

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

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

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 27,052,718
Changes for Year:	
Service Cost	866,324
Interest on the Total OPEB Liability	1,066,313
Changes of Assumptions	(3,823,899)
Differences between Expected and Actual Experience	369,660
Gross Benefit Payments by the State	22,560
Contributions from Members	<u>(761,059)</u>
Net Changes	<u>(2,260,101)</u>
Balance at June 30, 2019	<u>\$ 24,792,617</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

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

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

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

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

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$446,223 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

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

N/A - Not Available

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2020	\$ (1,512,975)
2021	(1,512,975)
2022	(1,512,975)
2023	(1,512,975)
2024	(1,512,975)
Thereafter	<u>(3,703,742)</u>
	<u>\$ (11,268,617)</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 18. PRIOR YEAR ADJUSTMENT

GASB 84, Fiduciary Activities, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund (which includes Athletic Activities) and Private Purpose Scholarship Trust Fund are now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 5,101,665	\$ 204,022	\$ 5,305,687
<u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 2,650,733	\$ 35,465	\$ 2,686,198
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 168,557	\$ 168,557
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 35,465	\$ (35,465)	\$ -0-
Private Purpose Scholarship Trust:			
Net Position - End of the Year	\$ 26,428	\$ (26,428)	\$ -0-

NOTE 19. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District's 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. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0150859020%	0.0155418236%	0.0157287536%	0.0144473211%	0.0159595540%	0.0158061212%	0.0149845117%
District's proportionate share of the Net Pension Liability	\$ 2,824,493	\$ 3,488,828	\$ 4,658,406	\$ 3,363,105	\$ 3,142,357	\$ 2,848,023	\$ 2,443,582
District's covered employee payroll	\$ 1,057,741	\$ 1,052,588	\$ 968,707	\$ 977,515	\$ 1,017,216	\$ 1,026,740	\$ 1,050,529
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	267.03%	331.45%	480.89%	344.05%	308.92%	277.39%	232.60%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	\$ 124,366	\$ 133,618	\$ 140,624	\$ 135,229	\$ 160,487	\$ 154,381	\$ 163,923
Contributions in relation to the contractually Required Contribution	<u>(124,366)</u>	<u>(133,618)</u>	<u>(140,624)</u>	<u>(135,229)</u>	<u>(160,487)</u>	<u>(154,381)</u>	<u>(163,923)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 1,052,588	\$ 968,707	\$ 977,515	\$ 1,017,216	\$ 1,026,740	\$ 1,050,529	\$ 1,102,006
Contributions as a percentage of covered employee payroll	11.82%	13.79%	14.39%	13.29%	15.63%	14.70%	14.87%

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

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.0675761920%	0.0627055215%	0.0606394365%	0.0596031525%	0.0568644889%	0.0609122201%	0.0584700262%
State's proportionate share of the net pension liability attributable to the District	\$ 36,117,275	\$ 39,632,567	\$ 39,632,530	\$ 40,186,595	\$ 37,843,505	\$ 37,382,404	\$ 38,501,809
District's covered employee payroll	\$ 6,172,786	\$ 5,962,659	\$ 6,080,949	\$ 6,280,801	\$ 6,208,185	\$ 6,450,603	\$ 6,158,596
State's proportionate share of the net pension liability attributable to the district as a percentage of its covered employee payroll	585.10%	664.68%	651.75%	639.83%	609.57%	579.52%	625.17%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contributions	\$ 1,943,449	\$ 2,419,925	\$ 3,584,206	\$ 2,783,924	\$ 2,206,144	\$ 2,204,914	\$ 2,394,206
Contributions in relation to the contractually required contribution	<u>(339,009)</u>	<u>(336,996)</u>	<u>(646,977)</u>	<u>(876,014)</u>	<u>(1,197,997)</u>	<u>(1,282,472)</u>	<u>(1,729,637)</u>
Contribution deficiency/(excess)	<u>\$ 1,604,440</u>	<u>\$ 2,082,929</u>	<u>\$ 2,937,229</u>	<u>\$ 1,907,910</u>	<u>\$ 1,008,147</u>	<u>\$ 922,442</u>	<u>\$ 664,569</u>
District's covered employee payroll	\$ 5,962,659	\$ 6,080,949	\$ 6,280,801	\$ 6,208,185	\$ 6,450,603	\$ 6,158,596	\$ 6,309,837
Contributions as a percentage of covered employee payroll	26.91%	34.25%	46.77%	30.73%	15.63%	14.98%	10.53%

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

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

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

* - Covered payroll for the fiscal years ending June 30, 2017, June 30, 2018 and June 30, 2019 are based on the payroll on the June 30, 2016, June 30, 2017 and June 30, 2018 census data.

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN

Benefit Changes

There were none.

Changes in Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEN PLAN (CONT'D)

Changes in Actuarial Assumptions (Cont'd)

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

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,127,356		\$ 11,127,356	\$ 11,127,356	\$ 60,700
Tuition from Other LEAs Within the State				60,700	
Rents and Royalties	9,135		9,135	9,135	
Interest Earned on Capital Reserve Funds	1,000		1,000	457	(543)
Unrestricted Miscellaneous Revenues	30,000		30,000	55,389	25,389
Total - Local Sources	11,167,491		11,167,491	11,253,037	85,546
State Sources:					
Categorical Special Education Aid	464,408		464,408	464,408	
Equalization Aid	3,377,278		3,377,278	3,377,278	
Categorical Security Aid	20,481		20,481	20,481	
Categorical Transportation Aid	177,329		177,329	177,329	
School Choice Aid	675,561		675,561	675,561	
Additional Extraordinary Aid				5,985	5,985
Extraordinary Aid				245,960	245,960
Additional Non-Public Transportation Aid				8,040	8,040
On-Behalf TPAF Pension Contributions (Non-Budgeted)				1,729,637	1,729,637
On-Behalf NCGI Premium (Non-Budgeted)				32,909	32,909
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				552,354	552,354
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				752	752
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				455,380	455,380
Total State Sources	4,715,057		4,715,057	7,746,074	3,031,017
TOTAL REVENUES	15,882,548		15,882,548	18,999,111	3,116,563

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs:					
Grades 9-12 - Salaries of Teachers	\$ 3,856,541	\$ 31,993	\$ 3,888,534	\$ 3,843,661	\$ 44,873
Regular Programs - Home Instruction:					
Salaries of Teachers	45,000	(1,564)	43,436	27,035	16,401
Purchased Professional - Educational Services	1,000	1,564	2,564	2,498	66
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	18,000		18,000	16,174	1,826
Purchased Technical Services	1,400		1,400	1,320	80
Other Purchased Services (400-500 Series)	89,900	(48,400)	41,500	28,730	12,770
Communications/Telephone		48,400	48,400	35,969	12,431
General Supplies	267,400	(4,902)	262,498	247,113	15,385
Textbooks	38,100	(1,914)	36,186	35,061	1,125
Other Objects	2,000		2,000	1,367	633
Total Regular Programs - Instruction	4,319,341	25,177	4,344,518	4,238,928	105,590
Special Education - Instruction:					
Cognitive - Mild:					
Salaries of Teachers	56,471	929	57,400	57,400	
Other Salaries for Instruction	53,940	(10,120)	43,820	43,820	
General Supplies	1,500	(108)	1,392	1,151	241
Total Cognitive - Mild	111,911	(9,299)	102,612	102,371	241
Cognitive - Moderate:					
Salaries of Teachers	56,825		56,825	56,000	825
Other Salaries for Instruction	39,588		39,588	39,268	320
General Supplies	2,000	(1,500)	500	319	181
Total Cognitive - Moderate	98,413	(1,500)	96,913	95,587	1,326

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 59,981		\$ 59,981	\$ 59,655	\$ 326
General Supplies	1,000		1,000	584	416
Total Multiple Disabilities	60,981		60,981	60,239	742
Resource Room/Resource Center:					
Salaries of Teachers	424,388	\$ (17,544)	406,844	406,844	
General Supplies	800	3,282	4,082	3,487	595
Total Resource Room/Resource Center	425,188	(14,262)	410,926	410,331	595
Total Special Education Instruction	696,493	(25,061)	671,432	668,528	2,904
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	35,949		35,949	11,245	24,704
General Supplies	200		200		200
Total Basic Skills/Remedial - Instruction	36,149		36,149	11,245	24,904
Bilingual Education - Instruction:					
Salaries of Teachers	14,378		14,378		14,378
General Supplies	200		200		200
Total Bilingual Education - Instruction	14,578		14,578		14,578
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	155,059	411	155,470	155,470	
Purchased Services (300-500 Series)	30,000	(20,000)	10,000	5,141	4,859
Travel/Workshops		9,454	9,454	945	8,509
Supplies and Materials	20,000	546	20,546	19,523	1,023
Other Objects	3,000		3,000	679	2,321
Total School-Sponsored Cocurricular Activities - Instruction	208,059	(9,589)	198,470	181,758	16,712

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Athletics - Instruction:					
Salaries	\$ 400,974	\$ (8,707)	\$ 392,267	\$ 384,611	\$ 7,656
Purchased Services (300-500 Series)	34,000	(3,000)	31,000	28,161	2,839
Supplies and Materials	64,200	(4,500)	59,700	55,356	4,344
Other Objects	7,000		7,000	763	6,237
Transfer to Cover Deficit (Agency Funds)	50,000		50,000	50,000	
Total School-Sponsored Athletics - Instruction	556,174	(16,207)	539,967	518,891	21,076
Other Instructional Programs - Instruction:					
Salaries	5,500		5,500		5,500
Total Other Instructional Programs - Instruction	5,500		5,500		5,500
Total Instruction	5,836,294	(25,680)	5,810,614	5,619,350	191,264
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within State - Regular	39,000	(15,000)	24,000	20,987	3,013
Tuition to Other LEAs Within State - Special	25,000	(5,000)	20,000	19,080	920
Tuition to County Vocational School District - Regular	208,562	(20,678)	187,884	177,514	10,370
Tuition to County Vocational School District - Special	37,471	5,678	43,149	43,149	
Tuition to Private Schools for the Handicapped - Within State	494,799	151,883	646,682	600,932	45,750
Total Undistributed Expenditures - Instruction:	804,832	116,883	921,715	861,662	60,053
Attendance and Social Work:					
Salaries	28,520	512	29,032	29,032	
Total Attendance and Social Work	28,520	512	29,032	29,032	

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 127,137	\$ (55,044)	\$ 72,093	\$ 68,901	\$ 3,192
Purchased Professional and Technical Services	7,600		7,600	3,261	4,339
Other Purchased Services (400-500 Series)	100		100		100
Supplies and Materials	6,500		6,500	4,401	2,099
Total Health Services	141,337	(55,044)	86,293	76,563	9,730
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	24,071	(23,658)	413	413	
Purchased Professional - Educational Services	95,100	47,710	142,810	122,847	19,963
Supplies and Materials	800	100	900	802	98
Total Other Support Services - Speech, OT, PT and Related Services	119,971	24,152	144,123	124,062	20,061
Other Support Services - Students - Extraordinary Services:					
Salaries	196,640	(27,214)	169,426	153,268	16,158
Total Other Support Services - Students - Extraordinary Services	196,640	(27,214)	169,426	153,268	16,158
Other Support Services - Guidance:					
Salaries of Other Professional Staff	469,556		469,556	460,072	9,484
Salaries of Secretarial and Clerical Assistants	64,751	461	65,212	65,212	
Other Purchased Professional and Technical Services	34,000	(1,295)	32,705	32,102	603
Other Purchased Services (400-500 Series)	5,200	(960)	4,240	4,134	106
Supplies and Materials	5,000	1,200	6,200	1,653	4,547
Other Objects	900		900	365	535
Total Other Support Services - Guidance	579,407	(594)	578,813	563,538	15,275

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	\$ 257,128		\$ 257,128	\$ 253,767	\$ 3,361
Salaries of Secretarial and Clerical Assistants	40,943		40,943	40,500	443
Purchased Professional - Educational Services		\$ 25,000	25,000	14,349	10,651
Other Purchased Professional and Technical Services	35,000	(34,703)	297	16	281
Miscellaneous Purchased Services (400-500 series)	1,700	(500)	1,200	1,040	160
Supplies and Materials	3,000	203	3,203	3,203	
Total Other Support Services - Child Study Team	337,771	(10,000)	327,771	312,875	14,896
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	306,581		306,581	304,291	2,290
Salaries of Other Professional Staff	6,000		6,000	6,000	
Salaries of Secretarial and Clerical Assistants	54,341	2,129	56,470	56,470	
Salaries of Facilitators, Math & AMP; Literacy Coaches	43,875		43,875	21,938	21,937
Other Objects	5,100		5,100	4,225	875
Total Improvement of Instructional Services	415,897	2,129	418,026	386,924	31,102
Educational Media Services/School Library:					
Salaries	79,019	471	79,490	79,490	
Supplies and Materials	105,950	(11,488)	94,462	67,985	26,477
Other Objects	100		100	100	
Total Educational Media Services/School Library	185,069	(11,017)	174,052	147,475	26,577
Instructional Staff Training Services:					
Purchased Professional - Educational Services	4,000		4,000	1,000	3,000
Total Instructional Staff Training Services	4,000		4,000	1,000	3,000

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Salaries	\$ 235,560	\$ 1	\$ 235,561	235,561	\$ 477
Legal Services	20,000	62,243	82,243	81,766	
Audit Fees	20,500	2,350	22,850	22,850	
Other Purchased Professional Services		4,200	4,200	4,036	164
Communications/Telephone	12,100	(1,199)	10,901	10,727	174
BOE Other Purchased Services	4,000	(3,403)	597	568	29
Miscellaneous Purchased Services (400-500 Series)	37,400	(19,200)	18,200	18,164	36
General Supplies	2,400		2,400	1,884	516
BOE Membership Dues and Fees	10,000	(1,151)	8,849	8,849	
Total Support Services - General Administration	341,960	43,841	385,801	384,405	1,396
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	218,967		218,967	218,967	
Salaries of Other Professional Staff	51,552		51,552	51,552	
Salaries of Secretarial and Clerical Assistants	37,483	1,942	39,425	39,425	
Other Purchased Services (400-500 Series)	14,400	20	14,420	14,236	184
Supplies and Materials	10,000	(370)	9,630	8,997	633
Other Objects	2,000	(290)	1,710	1,690	20
Total Support Services - School Administration	334,402	1,302	335,704	334,867	837

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 351,315		\$ 351,315	\$ 348,421	\$ 2,894
Purchased Professional Services	20,000	3,635	23,635	23,635	
Purchased Technical Services	17,000	35	17,035	17,035	
Miscellaneous Purchased Services (400-500 Series)	9,500	(1,430)	8,070	7,945	125
Supplies and Materials	3,000	198	3,198	3,198	
Miscellaneous Expenditures	1,500	(148)	1,352	1,260	92
Total Central Services	402,315	2,290	404,605	401,494	3,111
Administrative Information Technology:					
Salaries	136,236		136,236	134,236	2,000
Total Administrative Information Technology	136,236		136,236	134,236	2,000
Required Maintenance of School Facilities:					
Salaries	89,382		89,382	88,958	424
Cleaning, Repair and Maintenance Services	200,000	(40,000)	160,000	150,823	9,177
General Supplies	33,000		33,000	28,551	4,449
Total Required Maintenance of School Facilities	322,382	(40,000)	282,382	268,332	14,050

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 277,495	\$ (2,400)	\$ 275,095	\$ 223,097	\$ 51,998
Purchased Professional and Technical Services	6,000		6,000	3,600	2,400
Cleaning, Repair and Maintenance Services	24,000		24,000	21,436	2,564
Other Purchased Property Services	18,000		18,000	10,324	7,676
Insurance	171,998		171,998	136,411	35,587
Miscellaneous Purchased Services	1,000		1,000	338	662
General Supplies	190,000	30,331	220,331	168,187	52,144
Energy (Electricity)	200,000	(99,546)	100,454	99,430	1,024
Energy (Oil)	160,000	(57,282)	102,718	102,661	57
Other Objects	1,000		1,000	490	510
Total Custodial Services	1,049,493	(128,897)	920,596	765,974	154,622
Care and Upkeep of Grounds:					
Salaries	148,095		148,095	116,542	31,553
Purchased Professional and Technical Services	4,000		4,000	200	3,800
Cleaning, Repair and Maintenance Services	25,000		25,000	7,540	17,460
General Supplies	30,000		30,000	27,687	2,313
Total Care and Upkeep of Grounds	207,095		207,095	151,969	55,126
Security:					
Salaries	73,600	2,940	76,540	76,540	
Supplies		700	700	700	
Total Security	73,600	3,640	77,240	77,240	

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services:					
Salary for Pupil Transportation (Between Home & School) - Non-Public Schools	\$ 123,000	\$ 4,197	\$ 127,197	\$ 125,010	\$ 2,187
Management Fee - ESC & CTSA Transportation Program	21,439		21,439	14,610	6,829
Cleaning, Repair and Maintenance Services	13,000		13,000	13,000	
Lease Purchase Payments - School Buses	86,000		86,000	84,031	1,969
Contracted Services:					
Between Home and School - Vendors	520,475		520,475	483,243	37,232
Other than Between Home and School - Vendors	7,000		7,000		7,000
Special Education Students - Vendors	113,500		113,500	113,306	194
Aid in Lieu Payments - Nonpublic School	14,000		14,000	9,000	5,000
Miscellaneous Purchased Services - Transportation	1,500		1,500	1,385	115
General Supplies	25,000		25,000	13,682	11,318
Total Student Transportation Services	924,914	4,197	929,111	857,267	71,844
Unallocated Benefits:					
Social Security Contributions	177,270		177,270	173,603	3,667
Other Retirement Contribution - PERS	170,000		170,000	163,923	6,077
Other Retirement Contribution - Regular	3,700		3,700	3,700	
Unemployment Compensation	20,000		20,000	6,574	13,426
Workmen's Compensation	111,800		111,800	51,472	60,328
Health Benefits	2,099,343	(20,000)	2,079,343	1,877,361	201,982
Tuition Reimbursement	30,000	(698)	29,302	14,628	14,674
Other Employee Benefits	87,500	(4,300)	83,200	82,650	550
Unused Sick Payment to Terminated/Retired Staff	30,000	118,998	148,998	123,031	25,967
Total Unallocated Benefits	2,729,613	94,000	2,823,613	2,496,942	326,671

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf TPAF Pension Contributions (Non-Budgeted)			\$ 1,729,637	\$ 1,729,637	\$ (1,729,637)
On-Behalf NCGI Premium (Non-Budgeted)				32,909	(32,909)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				552,354	(552,354)
On-Behalf TPAF Long Term Disability Insurance (Non-Budgeted)				752	(752)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				455,380	(455,380)
Total On-Behalf and Reimbursed Contributions				2,771,032	(2,771,032)
Total Undistributed Expenses	\$ 9,335,454	\$ 20,180	\$ 9,355,634	11,300,157	(1,944,523)
TOTAL GENERAL CURRENT EXPENSE	15,171,748	(5,500)	15,166,248	16,919,507	(1,753,259)
CAPITAL OUTLAY:					
Equipment:					
Instruction - Cocurricular Athletics		5,500	5,500	5,500	
Grades 9-12	105,000		105,000	105,000	
Administrative Information Technology	42,000		42,000	42,000	
Required Maintenance for School Facilities		13,000	13,000	12,749	251
Transportation - School Buses - Regular	13,000	(13,000)			
Total Equipment	160,000	5,500	165,500	165,249	251
Facilities Acquisition and Construction Services:					
Construction Services	1,650,000		1,650,000	919,150	730,850
Architectural/Engineering Services	140,000		140,000	125,914	14,086
Assessment for Debt Service on SDA Funding	2,339		2,339	2,339	
Total Facilities Acquisition and Construction Services	1,792,339		1,792,339	1,047,403	744,936

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY: (CONT'D)					
Assets Acquired Under Capital Leases (non-budgeted):					
Transportation - School Buses - Regular				\$ 306,570	\$ (306,570)
Total Assets Acquired Under Capital Leases (non-budgeted)				306,570	(306,570)
TOTAL CAPITAL OUTLAY	\$ 1,952,339	\$ 5,500	\$ 1,957,839	1,519,222	438,617
TOTAL EXPENDITURES	17,124,087		17,124,087	18,438,729	(1,314,642)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,241,539)		(1,241,539)	560,382	1,801,921
Other Financing Sources/(Uses):					
Capital Leases (non-budgeted)				306,570	306,570
Total Other Financing Sources/(Uses)				306,570	306,570
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,241,539)		(1,241,539)	866,952	2,108,491
Fund Balance, July 1 (Restated)	3,168,681		3,168,681	3,168,681	
Fund Balance, June 30	\$ 1,927,142	\$ -0-	\$ 1,927,142	\$ 4,035,633	\$ 2,108,491

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted:					
Excess Surplus - 2022-2023	\$ 1,369,665				
Excess Surplus - 2021-2022	1,270,178				
Capital Reserve	248,274				
Unemployment Compensation	48,891				
Assigned:					
Designated for Subsequent Year's Expenditures	230,180				
Unassigned Fund Balance	868,445				
	<u>4,035,633</u>				
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(471,271)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,564,362</u>	

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 135,273	\$ 135,273	\$ 163,954	\$ 28,681
Federal Sources	\$ 192,188	81,368	273,556	259,880	(13,676)
Total Revenues	<u>192,188</u>	<u>216,641</u>	<u>408,829</u>	<u>423,834</u>	<u>15,005</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	140,000	4,393	144,393	144,393	
Other Purchased Services	4,000	6,735	10,735	10,735	
General Supplies	4,500	16,047	20,547	20,547	
Total Instruction	<u>148,500</u>	<u>27,175</u>	<u>175,675</u>	<u>175,675</u>	
Support Services:					
Personal Services - Employee Benefits	31,026	34,532	65,558	65,558	
Other Purchased Services	12,662	3,612	16,274	11,598	4,676
Supplies and Materials		17,049	17,049	8,049	9,000
Scholarships Awarded		4,697	4,697	4,697	
Student Activities		129,576	129,576	129,576	
Total Support Services	<u>43,688</u>	<u>189,466</u>	<u>233,154</u>	<u>219,478</u>	<u>13,676</u>
Total Expenditures	<u>192,188</u>	<u>216,641</u>	<u>408,829</u>	<u>395,153</u>	<u>13,676</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 28,681</u>	<u>\$ 28,681</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 18,999,111	\$ 423,834
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	482,483	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(471,271)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 19,010,323	\$ 423,834
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 18,438,729	\$ 395,153
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 18,438,729	\$ 395,153

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue. The budget for the fiscal year ended June 30, 2021 was submitted to the County office and was approved by a vote by the Board of Education in March, 2021. 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 except for student activities and scholarship funds. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Elementary and Secondary Education Act		I.D.E.A. Part B, Basic		Coronavirus Relief Fund	Student Activities	Scholarship Fund	Local Grants	Totals
	Title I	Part A	Title IV	Part B, Basic	Coronavirus Relief Fund				
REVENUE:									
Local Sources	\$ 60,984	\$ 8,547	\$ 10,000	\$ 152,018	\$ 28,331	\$ 159,297	\$ 3,657	\$ 1,000	\$ 163,954
Federal Sources									259,880
Total Revenue	60,984	8,547	10,000	152,018	28,331	159,297	3,657	1,000	423,834
EXPENDITURES:									
Instruction:									
Salaries of Teachers	40,350			104,043					144,393
Other Purchased Services			4,000		6,735				10,735
General Supplies			6,000		14,547				20,547
Total Instruction	40,350		10,000	104,043	21,282				175,675
Support Services:									
Personal Services -									
Employee Benefits	17,583			47,975					65,558
Other Purchased Services	3,051	8,547			7,049			1,000	11,598
Supplies and Materials									8,049
Scholarships Awarded							4,697		4,697
Student Activities						129,576			129,576
Total Support Services	20,634	8,547		47,975	7,049	129,576	4,697	1,000	219,478
Total Expenditures	\$ 60,984	\$ 8,547	\$ 10,000	\$ 152,018	\$ 28,331	\$ 129,576	\$ 4,697	\$ 1,000	\$ 395,153

CAPITAL PROJECTS FUND
(NOT APPLICABLE)

PROPRIETARY FUNDS

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$	2,480
Intergovernmental Accounts Receivable:		
State		159
Inventories		4,241
		4,241

Total Current Assets

6,880

Non-Current Assets:

Capital Assets:

Depreciable Furniture, Machinery & Equipment		68,295
Less: Accumulated Depreciation		(60,178)
		8,117

Total Non-Current Assets

8,117

Total Assets

14,997

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors		1,793
Unearned Revenue - Donated Commodities		2,535
Interfund Payable - General Fund		1,152
		5,480

Total Liabilities

5,480

NET POSITION:

Investment in Capital Assets		8,117
Unrestricted		1,400
		9,517

Total Net Position

\$ 9,517

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 1,137
Miscellaneous	1,325
	<hr/>
Total Operating Revenue	2,462
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	18,921
Salaries, Benefits & Payroll Taxes	28,545
Supplies, Insurance & Other Costs	2,589
Management Fee	9,270
Miscellaneous Expense	8,430
Depreciation Expense	1,485
	<hr/>
Total Operating Expenses	69,240
	<hr/>
Operating Loss	(66,778)
Non-Operating Income:	
Interest Income	18
State Sources:	
Seamless Summer Option	965
June Supplemental	159
Federal Sources:	
Seamless Summer Option - Breakfast	15,117
Seamless Summer Option - Lunch	24,387
Food Distribution Program	5,300
	<hr/>
Total Non-Operating Income	45,946
	<hr/>
Change in Net Position	(20,832)
Net Position - Beginning of Year	30,349
	<hr/>
Net Position - End of Year	\$ 9,517
	<hr/> <hr/>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,462
Payments to Food Service Vendor	(48,899)
Payments for Miscellaneous Expenses	(8,430)
	<hr/>
Net Cash Used for Operating Activities	(54,867)
	<hr/>
Cash Flows from Investing Activities:	
Interest Income	18
	<hr/>
Net Cash Provided by Investing Activities	18
	<hr/>
Cash Flows from Noncapital Financing Activities:	
National School Breakfast and Lunch Program Reimbursements	39,584
State School Program Reimbursements	1,325
	<hr/>
Net Cash Provided by Noncapital Financing Activities	40,909
	<hr/>
Net Decrease in Cash and Cash Equivalents	(13,940)
	<hr/>
Cash and Cash Equivalents, July 1	16,420
	<hr/>
Cash and Cash Equivalents, June 30	\$ 2,480
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (66,778)
Adjustment to Reconcile Operating Loss to Cash	
Used for Operating Activities:	
Depreciation	1,485
Food Distribution Program	5,300
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	1,233
Increase/(Decrease) in Unearned Revenue	948
Increase/(Decrease) in Accounts Payable	1,793
Increase/(Decrease) in Interfund Payable	1,152
	<hr/>
Net Cash Used for Operating Activities	\$ (54,867)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received and utilized USDA Donated Commodities through the Food Distribution Program valued at \$6,248 and \$5,300, respectively, for the fiscal year ended June 30, 2021.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2021</u>
Passenger Bus	4.88%	\$ 30,634	\$ 6,411		\$ 6,411	
Passenger Bus	5.11%	64,232	38,475		12,192	\$ 26,283
Student Buses	1.46%	306,570		\$ 306,570	62,939	243,631
			<u>\$ 44,886</u>	<u>\$ 306,570</u>	<u>\$ 81,542</u>	<u>\$ 269,914</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<u>Exhibit</u>
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 School provides and the activities it performs.	J-16 thru J-20

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

	June 30,				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	\$ 1,457,452	\$ 1,579,751	\$ 2,148,755	\$ 3,427,112	\$ 4,314,882
Restricted	895,397	1,215,441	2,025,335	1,901,747	1,655,810
Unrestricted/(Deficit)	(359,718)	(223,777)	(3,182,305)	(3,370,580)	(3,470,212)
Total Governmental Activities Net Position	<u>\$ 1,993,131</u>	<u>\$ 2,571,415</u>	<u>\$ 991,785</u>	<u>\$ 1,958,279</u>	<u>\$ 2,500,480</u>
Business-Type Activities:					
Investment in Capital Assets	\$ 6,823	\$ 6,517	\$ 5,460	\$ 17,769	\$ 15,791
Unrestricted	2,875	3,456	22,607	33,618	34,485
Total Business-Type Activities Net Position	<u>\$ 9,698</u>	<u>\$ 9,973</u>	<u>\$ 28,067</u>	<u>\$ 51,387</u>	<u>\$ 50,276</u>
District-Wide:					
Net Investment in Capital Assets	\$ 1,464,275	\$ 1,586,268	\$ 2,154,215	\$ 3,444,881	\$ 4,330,673
Restricted	895,397	1,215,441	2,025,335	1,901,747	1,655,810
Unrestricted/(Deficit)	(356,843)	(220,321)	(3,159,698)	(3,336,962)	(3,435,727)
Total District Net Position	<u>\$ 2,002,829</u>	<u>\$ 2,581,388</u>	<u>\$ 1,019,852</u>	<u>\$ 2,009,666</u>	<u>\$ 2,550,756</u>

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

UNAUDITED

(*accrual basis of accounting*)

	June 30,			
	2017	2018	2019	2020* 2021
Governmental Activities:				
Net Investment in Capital Assets	\$ 4,609,226	\$ 5,240,633	\$ 5,360,602	\$ 6,407,145
Restricted	1,673,010	1,614,139	1,740,680	2,471,190
Unrestricted/(Deficit)	(3,757,426)	(3,848,720)	(3,309,673)	(3,572,648)
Total Governmental Activities Net Position	<u>\$ 2,524,810</u>	<u>\$ 3,006,052</u>	<u>\$ 3,791,609</u>	<u>\$ 5,305,687</u>
Business-Type Activities:				
Investment in Capital Assets	\$ 14,059	\$ 12,574	\$ 11,088	\$ 9,603
Unrestricted	30,195	32,263	28,689	20,746
Total Business-Type Activities Net Position	<u>\$ 44,254</u>	<u>\$ 44,837</u>	<u>\$ 39,777</u>	<u>\$ 30,349</u>
District-Wide:				
Net Investment in Capital Assets	\$ 4,623,285	\$ 5,253,207	\$ 5,371,690	\$ 6,416,748
Restricted	1,673,010	1,614,139	1,740,680	2,471,190
Unrestricted/(Deficit)	(3,727,231)	(3,816,457)	(3,280,984)	(3,551,902)
Total District Net Position	<u>\$ 2,569,064</u>	<u>\$ 3,050,889</u>	<u>\$ 3,831,386</u>	<u>\$ 5,336,036</u>

* - Restated

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 6,576,056	\$ 6,616,121	\$ 6,364,383	\$ 7,303,831	\$ 7,898,802
Special Education	892,891	915,750	920,325	1,137,479	1,238,435
Other Instruction	103,335	75,631	76,425	75,022	77,462
School Sponsored	780,555	804,205	816,811	972,892	1,021,180
Support Services:					
Tuition	916,865	932,752	713,086	710,774	1,012,087
Student & Instruction Related Services	1,934,543	2,218,585	1,910,234	2,242,065	2,503,986
General and Business Administrative Services	383,058	342,376	408,332	427,695	563,419
School Administrative Services	540,414	524,301	626,763	749,867	605,788
Central Services	403,585	460,763	491,918	610,300	661,028
Administrative Information Technology	113,249	153,482	178,077	66,587	99,443
Plant Operations and Maintenance	1,417,345	1,570,504	1,379,793	1,890,693	1,500,744
Pupil Transportation	766,468	722,234	767,308	755,781	880,591
Capital Outlay			12,394		
Total Governmental Activities Expenses	14,828,364	15,336,704	14,665,849	16,942,986	18,062,965
Business-Type Activities:					
Food Service	224,350	202,811	203,048	220,248	215,798
Total Business-type Activities Expense	224,350	202,811	203,048	220,248	215,798
Total District Expenses	\$ 15,052,714	\$ 15,539,515	\$ 14,868,897	\$ 17,163,234	\$ 18,278,763
Program Revenues					
Charges for Services - Tuition	\$ 1,988,142	\$ 2,214,468	\$ 2,018,267	\$ 2,118,337	\$ 2,320,307
Operating Grants and Contributions and Charges for Services	1,988,142	2,236,022	2,069,956	2,225,653	2,382,216
Total Governmental Activities Program Revenues					
Business-Type Activities:					
Charges for Services:					
Food Service	182,024	155,957	178,311	175,520	167,462
Operating Grants and Contributions	38,576	46,232	42,782	54,130	47,131
Total Business-type Activities Program Revenues	220,600	202,189	221,093	229,650	214,593

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

	Fiscal Year Ending June 30,			
	2017	2018	2019	2020
Total District Program Revenues	\$ 2,756,515	\$ 6,020,665	\$ 4,920,462	\$ 4,233,740
Net (Expense)/Revenue				
Governmental Activities	\$ (17,086,927)	\$ (14,285,011)	\$ (14,276,523)	\$ (13,474,923)
Business-type Activities	(6,110)	508	(5,135)	(9,492)
Total District-wide Net Expense	\$ (17,093,037)	\$ (14,284,503)	\$ (14,281,658)	\$ (13,518,832)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for General Purposes, net	\$ 10,279,958	\$ 10,485,557	\$ 10,695,268	\$ 10,909,173
Federal and State Aid not Restricted	7,144,624	4,272,042	4,285,240	4,195,809
Investment Earnings	5,157	5,158		
Miscellaneous Income	3,929	3,496	81,572	49,794
Other				64,981
Total Governmental Activities	17,433,668	14,766,253	15,062,080	15,154,776
Business-Type Activities:				
Transfer In	88	75	75	64
Investment Earnings				
Special Item - Reappraisal of Capital Assets				
Total Business-Type Activities	88	75	75	75
Total District-Wide	\$ 17,433,756	\$ 14,766,328	\$ 15,062,155	\$ 15,154,851
Change in Net Position:				
Governmental Activities	\$ 346,741	\$ 481,242	\$ 785,557	\$ 1,679,853
Business-type Activities	(6,022)	583	(5,060)	(9,417)
Total District	\$ 340,719	\$ 481,825	\$ 780,497	\$ 1,670,436

Source: School District Financial Reports

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Revenues:					
Tax Levy	\$ 9,403,063	\$ 9,591,124	\$ 9,782,946	\$ 9,978,605	\$ 10,078,391
Tuition from Individuals					
Tuition from Other LEA's Within the State	35,241	21,554	51,689	107,316	61,909
Rents and Royalties					
Sale of Capital Assets					
Interest Earnings	560	538	537	538	545
Miscellaneous	8,739	10,859	37,285	39,094	18,027
State Sources	5,146,854	5,656,942	5,831,377	5,987,231	6,296,700
Federal Sources	357,419	246,816	197,917	206,084	215,172
Total Revenue	14,951,876	15,527,833	15,901,751	16,318,868	16,670,744
Expenditures					
Instruction:					
Regular Instruction	4,576,018	4,741,761	4,589,627	4,584,166	4,867,079
Special Education Instruction	671,183	664,101	672,064	725,867	734,628
Other Instruction	73,815	75,631	76,425	75,022	77,462
School Sponsored Instruction	572,714	592,099	603,849	648,906	644,529
Support Services:					
Tuition	916,865	932,752	713,086	710,774	1,012,087
Student & Instruction Related Services	1,616,875	1,691,602	1,468,356	1,523,384	1,652,685
General Administrative Services	329,127	271,339	324,270	305,428	398,332
School Administrative Services	407,458	355,023	445,273	458,080	312,169
Central Services and	334,466	348,062	341,552	370,205	381,885
Administrative Information Technology	90,314	109,109	126,199	118,312	123,955
Plant Operations and Maintenance	1,319,504	1,282,834	1,243,141	1,369,647	1,205,019
Student Transportation	819,134	739,677	670,586	756,633	821,311
Unallocated Benefits	3,078,575	3,212,226	3,082,303	3,197,475	3,488,283

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Expenditures					
Capital Outlay	\$ 87,851	\$ 384,453	\$ 900,827	\$ 1,797,220	\$ 1,195,830
Total Expenditures	14,893,899	15,400,669	15,257,558	16,641,119	16,915,254
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	57,977	127,164	644,193	(322,251)	(244,510)
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)	44,939		206,298	96,967	
Insurance Reimbursements for Losses due to Hurricane Sandy		356,281		(13,828)	
Transfers Out					
Total Other Financing Sources/(Uses)	44,939	356,281	206,298	83,139	
Net Change in Fund Balances	\$ 102,916	\$ 483,445	\$ 850,491	\$ (239,112)	\$ (244,510)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2017	2018	2019	2020
Revenues:				
Tax Levy	\$ 10,279,958	\$ 10,485,557	\$ 10,695,268	\$ 10,909,173
Tuition from Individuals				850
Tuition from Other LEA's Within the State	48,180	3,369	38,122	14,361
Rents and Royalties			18,270	9,548
Sale of Capital Assets				10,000
Interest Earnings	542	543	497	494
Miscellaneous	8,544	8,111	62,805	29,752
State Sources	6,516,128	6,829,087	7,286,156	7,128,242
Federal Sources	205,084	213,238	224,534	252,467
Total Revenue	17,058,436	17,539,905	18,325,652	18,354,887
Expenditures				
Instruction:				
Regular Instruction	4,336,141	4,469,507	4,451,610	4,123,686
Special Education Instruction	762,737	727,284	741,273	788,003
Other Instruction	78,675	58,124	32,915	27,703
School Sponsored Instruction	675,145	690,191	724,231	711,617
Support Services:				
Tuition	1,123,175	1,047,932	1,052,761	648,534
Student & Instruction Related Services	1,735,429	1,780,864	1,834,919	1,824,378
General Administrative Services	335,394	329,045	353,251	352,402
School Administrative Services	405,750	342,462	336,226	324,862
Central Services and	393,190	365,496	398,880	392,604
Administrative Information Technology	125,167	132,738	136,734	138,031
Plant Operations and Maintenance	1,250,991	1,299,442	1,318,911	1,343,130
Student Transportation	896,039	866,803	938,779	857,713
Unallocated Benefits	3,932,919	4,446,593	4,859,899	4,684,432
				401,494
				861,662
				1,929,010
				384,405
				334,867
				11,245
				700,649
				820,546
				4,347,790
				820,546
				11,245
				700,649
				861,662
				1,929,010
				384,405
				334,867
				11,245
				700,649
				820,546
				4,347,790

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

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,			
	2017	2018	2019	2020
Expenditures				2021
Capital Outlay	\$ 1,005,972	\$ 1,042,416	\$ 542,387	\$ 1,834,557
Total Expenditures	17,056,724	17,598,897	17,722,776	18,051,652
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	1,712	(58,992)	602,876	303,235
Other Financing Sources/(Uses):				
Capital Leases (Non-Budgeted)	30,634		64,232	306,570
Insurance Reimbursements for Losses due to Hurricane Sandy Transfers Out				
Total Other Financing Sources/(Uses)	30,634		64,232	306,570
Net Change in Fund Balances	\$ 32,346	\$ (58,992)	\$ 667,108	\$ 303,235
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u> <u>Miscellaneous</u>	<u>Rents and</u> <u>Royalties</u>	<u>Total</u>
2012	\$ 560	\$ 35,241	\$ 8,739		\$ 44,540
2013	538	21,554	10,859		32,951
2014	4,996	51,689	32,826		89,511
2015	5,384	107,316	34,248		146,948
2016	5,160	61,909	13,412		80,481
2017	4,339	48,180	4,747		57,266
2018	4,633	3,369	4,021		12,023
2019	6,423	38,122	56,879	\$ 18,270	119,694
2020	5,789	15,211	34,457	9,548	65,005
2021	7,046	60,700	48,800	9,135	125,681

Source: School District Financial Reports

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

Byram Township

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2011	\$20,595,500	\$969,486,200	\$16,733,900	\$725,500	\$91,981,000	\$ 2,134,900	\$ 1,288,700	\$1,102,945,700	\$67,835,000	\$1,360,870	\$1,104,306,570	\$ 0.51	\$ 1,133,421,802
2012	18,175,900	814,978,400	14,256,700	725,300	79,756,200	1,881,100	1,115,600	930,889,200	67,197,300	1,367,521	932,256,721	0.63	1,022,304,686
2013	17,057,400	814,021,000	14,850,300	729,900	80,556,400	1,881,100	1,115,600	930,211,700	65,555,900	169,287	930,380,987	0.65	1,014,784,450
2014	15,872,700	815,375,600	15,346,800	738,600	79,509,100	1,881,100	1,115,600	929,839,500	65,358,100	170,951	930,010,451	0.67	983,104,528
2015	16,159,100	812,932,400	15,834,200	740,800	77,996,100	1,881,100	1,115,600	926,659,300	66,725,200		926,659,300	0.67	961,176,097
2016	15,654,400	813,991,600	14,976,800	723,400	77,065,800	1,881,100	1,115,600	925,408,700	67,800,200		925,408,700	0.67	965,576,690
2017	15,300,000	814,380,700	15,020,200	722,000	78,079,400	1,881,100	1,115,600	926,499,000	67,931,100		926,499,000	0.69	967,681,544
2018	15,247,700	812,600,000	16,201,300	670,800	77,322,400	1,881,100	1,115,600	925,038,900	68,355,600		925,038,900	0.70	990,189,256
2019	15,425,100	812,944,700	16,437,900	679,400	77,727,200	1,881,100	1,115,600	926,211,000	68,777,800		926,211,000	0.70	997,309,619
2020	15,071,800	811,597,100	17,128,900	658,500	77,217,100	1,881,100	1,115,600	924,670,100	69,840,700		924,670,100	0.70	994,155,430

Netcong Borough

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2011	\$ 5,892,600	\$240,069,800			\$43,115,700	\$18,746,800	\$25,781,800	\$ 333,606,700	\$21,583,300	\$3,043,835	\$ 336,650,535	\$ 0.50	\$ 321,029,391
2012	5,892,600	239,449,400			43,109,000	18,746,800	25,781,800	332,979,600	21,567,700	3,117,096	336,096,696	0.51	303,147,024
2013	6,072,900	238,253,100			42,694,000	17,413,500	25,781,800	330,215,300	21,735,000		330,215,300	0.50	273,815,716
2014	6,000,500	237,191,500			42,855,300	17,413,500	25,781,800	329,242,600	21,735,000		329,242,600	0.50	276,798,948
2015	5,840,000	236,807,700			41,890,700	17,413,500	25,781,800	327,733,700	21,435,500		327,733,700	0.51	257,290,637
2016	6,359,000	234,351,300			41,198,400	17,413,500	25,781,800	325,104,000	22,047,400		325,104,000	0.50	264,140,396
2017	6,359,000	233,929,500			41,275,900	17,413,500	25,781,800	324,759,700	22,052,400		324,759,700	0.50	265,424,494
2018	6,313,900	232,897,600			41,092,600	17,413,500	25,781,800	323,499,400	22,052,400		323,499,400	0.54	270,035,525
2019	6,009,800	232,005,400			40,992,600	17,413,500	25,781,800	322,203,100	22,249,200		322,203,100	0.61	302,238,491
2020	5,689,300	232,648,600			40,722,200	17,413,500	25,781,800	322,255,400	21,653,500		322,255,400	0.70	313,418,931

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

Stanhope Borough

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2011	\$ 3,967,300	\$314,060,400		\$ 18,100	\$22,753,200	\$ 5,194,500	\$ 3,429,700	\$ 349,423,200	\$47,555,100	\$ 392,954	\$ 349,816,154	0.57	\$ 386,336,984
2012	3,670,600	307,560,200		18,100	22,724,800	4,598,900	3,376,100	341,948,700	47,545,100	388,422	342,337,122	0.55	370,101,092
2013	* 3,311,700	261,262,300		18,100	22,274,800	4,445,500	3,191,900	294,504,300	40,970,500	880	294,505,180	0.68	323,968,901
2014	2,744,000	261,244,700		18,100	22,286,500	4,445,500	3,191,900	293,930,700	41,704,100	758	293,931,458	0.69	329,032,732
2015	2,809,100	261,017,000		18,100	22,087,800	4,445,500	3,194,200	293,571,700	41,230,300	828	293,572,528	0.75	329,682,772
2016	2,881,600	261,375,600		18,100	22,087,800	4,445,500	3,194,200	294,002,800	41,157,800	711	294,003,511	0.81	318,979,554
2017	2,674,300	261,114,800		19,300	22,128,600	4,445,500	3,194,200	293,576,700	41,397,600	683	293,577,383	0.81	319,640,920
2018	2,653,900	261,299,400		19,300	22,153,800	4,445,500	3,194,200	293,766,100	41,269,700	651	293,766,751	0.81	315,261,868
2019	2,653,900	261,808,300		19,300	22,104,800	4,445,500	3,194,200	294,226,000	41,045,900	552	294,226,552	0.80	325,155,173
2020	2,653,911	261,922,500		19,300	22,104,800	4,445,500	3,194,200	294,340,211	41,608,700		294,340,200	0.78	331,859,380

* Revaluation became effective.

Source: Municipal Tax Assessors and State of New Jersey Website

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Byram Township

Year Ended December 31,	Direct Rate		Municipality	Overlapping Rates		Local School	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Total Direct		County	Local School		
2011	\$ 0.512	\$ 0.512	\$ 0.697	\$ 0.444	\$ 0.982	\$ 2.635	
2012 *	0.631	0.631	0.851	0.508	1.185	3.175	
2013	0.648	0.648	0.874	0.539	1.210	3.271	
2014	0.665	0.665	0.864	0.552	1.227	3.308	
2015	0.668	0.668	0.888	0.534	1.249	3.339	
2016	0.666	0.666	0.913	0.578	0.863	3.020	
2017	0.687	0.687	0.928	0.595	0.857	3.067	
2018	0.699	0.699	0.935	0.622	1.289	3.545	
2019	0.699	0.699	0.946	0.624	1.299	3.568	
2020	0.699	0.699	0.945	0.627	1.302	3.573	

Netcong Borough

Year Ended December 31,	Direct Rate		Municipality	Overlapping Rates		Local School	Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Total Direct		County	Local School		
2011	\$ 0.496	\$ 0.496	\$ 0.701	\$ 0.225	\$ 0.813	\$ 2.235	
2012	0.507	0.507	0.714	0.221	0.815	2.257	
2013	0.503	0.503	0.738	0.208	0.908	2.357	
2014	0.502	0.502	0.756	0.215	0.898	2.371	
2015	0.511	0.511	0.775	0.197	0.996	2.479	
2016	0.499	0.499	0.797	0.197	0.981	2.474	
2017	0.504	0.504	0.821	0.212	0.989	2.526	
2018	0.537	0.537	0.840	0.217	1.158	2.752	
2019	0.611	0.611	0.861	0.245	1.209	2.927	
2020	0.698	0.698	0.883	0.245	1.248	3.074	

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

Stanhope Borough

Year Ended December 31,	Direct Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Total Direct	Municipality	County	
2011	\$ 0.566	\$ 0.566	\$ 0.894	0.478	\$ 1.089
2012	0.554	0.554	0.928	0.503	1.139
2013 *	0.675	0.675	1.094	0.543	1.344
2014	0.692	0.692	1.103	0.585	1.378
2015	0.747	0.747	1.115	0.578	1.423
2016	0.811	0.811	1.131	0.612	1.042
2017	0.808	0.808	1.141	0.621	1.067
2018	0.808	0.808	1.157	0.624	1.523
2019	0.799	0.799	1.168	0.641	1.549
2020	0.779	0.779	1.191	0.659	1.611

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

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

* Revaluation became effective.

Source: Municipal Tax Collectors and School Business Administrator

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

Byram Township

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Gordon Byram Associates, LLC	\$ 16,622,300	1	1.80%	\$ 18,586,900	1	1.67%
Tilcon New York, Inc	5,109,400	2	0.55%	5,043,700	2	0.45%
YK Realty Co LLC	4,233,500	3	0.46%	4,250,000	3	0.38%
Byram Self Storage	3,900,000	4	0.42%	3,250,500	4	0.29%
Quickchek Corp	3,187,400	5	0.34%	2,717,300	5	0.24%
PSD Automotive Group	2,875,000	6	0.31%	2,296,600	6	0.21%
Panther Lake Camping Resort, Inc	2,715,700	7	0.29%	2,158,300	7	0.19%
206 Acorn Development Corp	1,951,400	8	0.21%	1,928,600	8	0.17%
Individual Taxpayer #1	1,723,900	9	0.19%	1,549,500	9	0.14%
55 Lackawanna Development, LLC	1,700,000	10	0.18%	1,502,500	10	0.13%
Total	\$ 44,018,600		4.75%	\$ 43,283,900		3.87%

Netcong Borough

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Netcong Heights	\$ 32,890,900	1	10.21%	\$ 16,872,785	1	4.95%
Dowel-Netcong, LLC	8,953,500	2	2.78%	5,842,811	2	1.71%
Sempre Development Group, LLC	4,749,500	3	1.47%	5,185,596	3	1.52%
Netcong 201 LLC Morris Canal Plaza	3,216,300	4	1.00%	2,746,732	4	0.81%
Individual Taxpayer #1	3,002,000	5	0.93%	2,245,171	5	0.66%
Individual Taxpayer #2	2,833,300	6	0.88%	2,201,125	6	0.65%
US Mineral Wool Products	2,719,200	7	0.84%	1,972,233	7	0.58%
Netcong Properties LP C/O Quik Chek	1,957,100	8	0.61%	1,926,407	8	0.57%
Bell Atlantic-NJ	1,944,900	9	0.60%	1,624,042	9	0.48%
Mark Appraisals, LLC	1,509,600	10	0.47%	1,343,312	10	0.39%
Total	\$ 63,776,300		19.79%	\$ 41,960,214		12.32%

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

		Stanhope Borough							
		2021		2012					
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Metro SH Storage, LLC/Metro Storage	\$ 3,611,600	1	1.23%	Stanhope Storage, LLC	\$ 3,228,400	1	0.74%		
US Mineral Products Co.	1,701,900	2	0.58%	US Mineral Products Co	1,742,200	2	0.40%		
10 Furnace Street, LLC	1,308,000	3	0.44%	Netcong Development, LLC	1,314,900	3	0.30%		
Heritage Crossing LLC	1,270,800	4	0.43%	Individual Taxpayer 1	1,287,300	4	0.30%		
Individual Taxpayer 1	1,129,000	5	0.38%	Heritage, Crossing, LLC	1,286,800	5	0.30%		
Juntos Holdings LLC	979,300	6	0.33%	Individual Taxpayer 2	1,198,300	6	0.28%		
Lakeland Bank	953,600	7	0.32%	Individual Taxpayer 3	1,032,900	7	0.24%		
Individual Taxpayer 2	950,000	8	0.32%	AHS Enterprises LLC	1,024,800	8	0.24%		
Andrew Benjamin, LLC	851,500	9	0.29%	Lakeland Bank	925,800	9	0.21%		
Normandic Lane, LLC	550,000	10	0.19%	Andrew Benjamin, LLC	883,800	10	0.20%		
Total	\$ 13,305,700		3.28%		\$ 13,925,200.00		3.21%		

Note: Individual taxpayers may be different in 2021 and 2012.

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal		Collections in Subsequent Years
		Year of the Levy ^a Amount	Percentage of Levy	
2012	\$ 9,403,063	\$ 9,403,063	100.00%	\$ -0-
2013	9,591,124	9,591,124	100.00%	-0-
2014	9,782,946	9,782,946	100.00%	-0-
2015	9,978,605	9,978,605	100.00%	-0-
2016	10,078,391	10,078,391	100.00%	-0-
2017	10,279,958	10,279,958	100.00%	-0-
2018	10,485,557	10,485,557	100.00%	-0-
2019	10,695,268	10,695,268	100.00%	-0-
2020	10,909,173	10,909,173	100.00%	-0-
2021	11,127,356	11,127,356	100.00%	-0-

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

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	Governmental Activities Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
2012	\$ 113,388	\$ 113,388	0.01%	\$ 7.52
2013	128,050	128,050	0.01%	8.56
2014	211,219	211,219	0.02%	14.22
2015	155,291	155,291	0.02%	10.59
2016	77,435	77,435	0.01%	5.32
2017	72,484	72,484	0.01%	5.00
2018	37,314	37,314	0.00%	2.58
2019	62,598	62,598	0.01%	4.35
2020	44,886	44,886	0.00%	3.14
2021	269,914	269,914	0.03%	18.88

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

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

Source: School District Financial Reports

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

NOT APPLICABLE

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Debt Repaid With Property Taxes</u>			
Township of Byram	\$ 2,525,469	100.00%	\$ 2,525,469
Borough of Netcong	2,177,633	100.00%	2,177,633
Borough of Stanhope	3,181,909	100.00%	3,181,909
Morris County County General Obligation Debt (All Constituent Municipalities) (1)	250,902,245	0.32%	810,907
Sussex County County General Obligation Debt (All Constituent Municipalities) (2)	97,520,409	7.50%	<u>7,317,868</u>
Subtotal, Overlapping Debt			16,013,785
Lenape Valley Regional School District Direct Debt			<u>269,914</u>
Total Direct and Overlapping Debt			<u>\$ 16,283,699</u>
(2) Township of Byram/County of Sussex -	5.63%		
(1) Borough of Netcong/County of Morris -	0.32%		
(2) Borough of Stanhope/County of Sussex -	1.88%		

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

^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.

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

Year	Township of Byram	Borough of Netcong	Borough of Stanhope	Total Equalized Valuation Basis
2018	\$ 995,093,481	\$ 301,884,472	\$ 323,602,225	\$ 1,620,580,178
2019	994,856,069	301,716,546	330,665,318	1,627,237,933
2020	1,015,562,987	288,836,963	330,014,800	1,634,414,750
	<u>\$3,005,512,537</u>	<u>\$ 892,437,981</u>	<u>\$ 984,282,343</u>	<u>\$ 4,882,232,861</u>
Average Equalized Valuation of Taxable Property				<u>\$ 1,627,410,954</u>
Debt Limit (4% of average equalization value) ^a				\$ 65,096,438
Net Bonded School Debt as of June 30, 2021				-0-
Legal Debt Margin				<u>\$ 65,096,438</u>

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Debt Limit	\$ 73,500,976	\$ 70,099,707	\$ 66,772,267	\$ 63,653,897	\$ 62,434,615
Total Net Debt Applicable to Limit					
Legal Debt Margin	<u>\$ 73,500,976</u>	<u>\$ 70,099,707</u>	<u>\$ 66,772,267</u>	<u>\$ 63,653,897</u>	<u>\$ 62,434,615</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%
	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Debt Limit	\$ 61,931,004	\$ 62,035,460	\$ 63,354,827	\$ 64,294,583	\$ 65,096,438
Total Net Debt Applicable to Limit					
Legal Debt Margin	<u>\$ 61,931,004</u>	<u>\$ 62,035,460</u>	<u>\$ 63,354,827</u>	<u>\$ 64,294,583</u>	<u>\$ 65,096,438</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Byram Township

Year	Population ^a	Personal Income ^b	Sussex County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2012	8,297	\$ 421,753,104	\$ 50,832	9.50%
2013	8,224	423,182,368	51,457	5.70%
2014	8,150	438,584,100	53,814	6.20%
2015	8,060	448,990,360	55,706	5.10%
2016	7,992	455,591,952	57,006	4.50%
2017	7,974	468,855,252	58,798	4.20%
2018	7,952	486,312,512	61,156	3.70%
2019	7,945	506,763,880	63,784	3.20%
2020	7,890	503,255,760	63,784 *	8.60%
2021	7,890 **	503,255,760 ***	63,784 *	N/A

Netcong Borough

Year	Population ^a	Personal Income ^b	Morris County	
			Per Capita Personal Income ^c	Unemployment Rate ^d
2012	3,242	\$ 258,630,550	\$ 79,775	6.80%
2013	3,235	261,436,525	80,815	7.10%
2014	3,226	271,880,828	84,278	7.40%
2015	3,219	284,350,365	88,335	6.20%
2016	3,204	292,038,192	91,148	5.70%
2017	3,191	298,782,903	93,633	5.30%
2018	3,165	309,597,135	97,819	4.80%
2019	3,129	318,050,334	101,646	4.10%
2020	3,122	317,338,812	101,646 *	12.10%
2021	3,122 **	317,338,812 ***	101,646 *	N/A

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

Stanhope Borough					
Year	Population ^a	Personal Income ^b	Sussex County Per Capita Personal Income ^c	Unemployment Rate ^d	
2012	3,546	\$ 180,250,272	\$ 50,832	8.10%	
2013	3,508	180,511,156	51,457	5.60%	
2014	3,476	187,057,464	53,814	5.90%	
2015	3,387	188,676,222	55,706	5.50%	
2016	3,355	191,255,130	57,006	5.30%	
2017	3,335	196,091,330	58,798	4.60%	
2018	3,323	203,221,388	61,156	4.20%	
2019	3,311	211,188,824	63,784	3.30%	
2020	3,288	209,721,792	63,784 *	9.90%	
2021	3,288 **	209,721,792 ***	63,784 *	N/A	

* - Latest Sussex/Morris County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest Township/Borough personal income available (2020) was used for calculation purposes.

N/A - Information not available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

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

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

	2021		2012		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Selective Insurance Group Inc.		1000-4999	Crystal Springs Gold & Spa Resort	2,000	N/A
Crystal Springs Resort		1000-4999	Newton Memorial Hospital	1,200	N/A
Newton Medical Center		500-999	Selective Insurance	900	N/A
Sussex County Offices		500-999	County of Sussex	830	N/A
Thorlabs		500-999	Mountain Creek Resort	800	N/A
Mountain Creek Resort		500-999	Ames Rubber Corp.	445	N/A
Shop Rite		250-499	Shop Rite Supermarkets	301	N/A
Sussex County Community College		250-499	Andover Subacute & Rehab Center	300	N/A
United Methodist Community Bristol Glen		250-499	Sussex County Community College	300	N/A
Andover Subacute & Rehab Center		100-249	SCARC, Inc.	287	N/A
Total		<u>N/A</u>	Total	<u>7,363</u>	
Total County Labor Force		<u>N/A</u>		<u>N/A</u>	

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

	2021		2012		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Atlantic Health System		7,642	Novartis	6,200	N/A
U.S. Army Armament R&D		6,000	Picatinny Arsenal	5,841	N/A
Novartis		5,200	Atlantic Health system	5,576	N/A
Bayer		3,483	ADP	1,947	N/A
Barclays		2,560	County of Morris	1,838	N/A
Automatic Data Processing, Inc.		2,400	Saint Clare's	1,662	N/A
Accenture		1,826	Wyndham Worldwide Corporation	1,546	N/A
Honeywell		1,704	BASF Corporation	1,500	N/A
St. Clare's Health System		1,638	Accenture	1,498	N/A
County of Morris		1,469	Chilton Memorial	1,440	N/A
Total		<u>33,922</u>		<u>29,048</u>	
Total County Labor Force		<u>252,984</u>		<u>N/A</u>	

N/A - Not Available

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

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

LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

<u>Function/Program:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction:										
Regular	57.0	57.0	55.0	55.0	55.0	55.0	53.0	50.0	50.0	50.0
Special Education	8.0	8.0	8.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0
Other	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Support Services:										
Student & Instruction Related Services	23.0	23.0	23.0	24.0	24.0	24.0	23.0	22.0	22.0	22.0
School Administrative Services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
General and Business Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	7.0
Pupil Transportation	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	7.0
Total	<u>118.0</u>	<u>118.0</u>	<u>116.0</u>	<u>118.0</u>	<u>118.0</u>	<u>118.0</u>	<u>114.0</u>	<u>110.0</u>	<u>111.0</u>	<u>109.0</u>

Source: School District Financial Reports

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2012	799	\$ 14,806,048	\$18,531	13.00%	66	12:1	12:1	799	766	-4.43%	95.87%
2013	785	15,016,216	19,129	3.23%	66	12:1	12:1	785	732	-1.75%	93.25%
2014	828	14,356,731	17,339	-9.36%	66	13:1	13:1	828	785	5.48%	94.81%
2015	806	14,843,899	18,417	6.22%	67	12:1	12:1	806	765	-2.66%	94.91%
2016	803	15,719,424	19,576	6.29%	66	12:1	12:1	803	778	-0.37%	96.89%
2017	772	16,050,752	20,791	6.21%	67	12:1	12:1	772	730	-3.86%	94.56%
2018	719	16,556,481	23,027	10.75%	63	11:1	11:1	708	670	-8.29%	94.63%
2019	705	16,569,265	23,503	2.06%	60	11:1	11:1	687	651	-2.97%	94.76%
2020	682	16,217,095	23,779	1.18%	60	11:1	11:1	642	610	-6.55%	95.02%
2021	672	17,314,660	25,766	8.36%	60	11:1	11:1	666	610	3.74%	91.59%

Sources: School District Records

Note: Enrollment based on annual October district count.

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>High School</u>										
Square Feet	146,637	146,637	146,637	146,637	146,637	146,637	146,637	146,637	146,637	146,637
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	799	785	828	806	803	772	719	705	682	672

Number of Schools at June 30, 2021
 High School = 1

Source: School District Records

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

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

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

	2012	2013	2014	2015	2016
<u>School Facilities:</u>					
Lenape Valley High School District	\$ 443,911	\$ 384,627	\$ 209,007	\$ 434,057	\$ 303,518
	2017	2018	2019	2020	2021
<u>School Facilities:</u>					
Lenape Valley High School District	\$ 311,266	\$ 281,953	\$ 344,247	\$ 305,814	\$ 268,332

Source: District records

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED

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

Source: School District Records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Lenape Valley Regional High School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2021.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

October 15, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Valerie A. Dolan

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Independent Member
BKR International

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Lenape Valley Regional High School District (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2021. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2021.

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.

October 15, 2021
Mount Arlington, New Jersey

Nisiroccia LLP
NISIVOCIA LLP

Valerie A. Dolan

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2020		Cash Received	Budgetary Expenditures	Balance 6/30/2021		Amount Provided to Subrecipients
				(Accounts Receivable)	Uncame Revenue			Budgetary Uncame Revenue	Budgetary Accounts Receivable	
Special Revenue Fund:										
U.S. Department of Education										
Passed-through State Department of Education:										
Elementary and Secondary Education Act										
84.010	ESEA261521	7/1/20-9/30/21	\$ 60,984	\$ (12,231)	\$ 44,432	\$ (60,021)	\$ (15,589)			
84.010	ESEA261520	7/1/19-9/30/20	53,575	(12,231)	13,194	(963)	(15,589)			
	Total Title I				57,626	(60,984)				
84.367A	ESEA261520	7/1/19-9/30/20	14,897		393			\$ 393		
84.367A	ESEA261521	7/1/20-9/30/21	12,333		8,547	(8,547)				
	Total Title II				8,940	(8,547)				393
84.424	ESEA261521	7/1/20-9/30/21	20,000	(12,231)	10,000	(10,000)				
	Total Title IV				76,566	(79,531)				393
Total Elementary and Secondary Education Act										
Special Education Cluster:										
84.027	IDEA261521	7/1/20-9/30/21	149,436	(35,690)	112,910	(149,436)				(36,526)
84.027	IDEA261520	7/1/19-9/30/20	147,632	(35,690)	38,272	(2,582)				
	Total Special Education Cluster				151,182	(152,018)				(36,526)
Education Stabilization Fund:										
84.425D	S425D2000027	3/13/20-9/30/22	52,622	(49,828)	49,828					
	Total U.S. Department of Education				277,576	(231,549)				393
U.S. Department of Treasury -										
Passed-through State Department of Education:										
COVID 19 - Coronavirus Relief Rund										
21.019	N/A	3/1/20-12/30/20	28,331	(97,749)	28,331	(28,331)				
	Total U.S. Department of Treasury				305,907	(259,880)				393
Total Special Revenue Fund										
U.S. Department of Agriculture										
Passed-Through State Department of Education:										
Child Nutrition Cluster:										
10.555	N/A	7/1/20-6/30/21	6,248		6,248	(3,713)				2,535
10.555	N/A	7/1/19-6/30/20	9,481		1,587	(1,587)				
10.555	N/A	7/1/20-6/30/21	15,117		15,117	(15,117)				
10.555	N/A	7/1/20-6/30/21	24,387	(80)	24,387	(24,387)				
10.555	N/A	3/18/20-6/30/20	367	(80)	80					
	Total Child Nutrition Cluster				45,832	(44,804)				2,535
	Total Federal Awards			\$ (97,829)	\$ 351,739	\$ (304,684)		\$ 2,535	\$ (52,115)	\$ 393
	N/A - Not Applicable									\$ -0-

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2020		Cash Received	Budgetary Expenditures	Balance 6/30/2021		Memo		
				Budgetary (Accounts Receivable)	(Accounts Receivable)			Budgetary (Accounts Receivable)	Cumulative Total Expenditures			
NJ Department of Education:												
Reimbursed TPAF Social Security Contributions	21-495-0344-5094-003	7/01/20-6/30/21	\$ 455,380		\$ 455,380		\$ (455,380)		\$		\$ 455,380	
Categorical Special Education Aid	21-495-0344-5120-089	7/01/20-6/30/21	464,408		417,990		(464,408)			(46,418)	464,408	
Equalization Aid	21-495-0344-5120-078	7/01/20-6/30/21	3,377,278		3,039,718		(3,377,278)			(337,560)	3,377,278	
Categorical Security Aid	21-495-0344-5120-084	7/01/20-6/30/21	20,481		18,434		(20,481)			(2,047)	20,481	
School Choice Aid	21-495-0344-5120-068	7/01/20-6/30/21	675,561		608,039		(675,561)			(67,522)	675,561	
Transportation Aid	21-495-0344-5120-014	7/01/20-6/30/21	177,329		159,605		(177,329)			(17,724)	177,329	
Extraordinary Aid	21-495-0344-5120-044	7/01/20-6/30/21	245,960				(245,960)			(245,960)	245,960	
Non-Public Transportation	21-495-0344-5120-014	7/01/20-6/30/21	8,040				(8,040)			(8,040)	8,040	
On-Behalf TPAF Post Retirement Medical Benefits	21-495-0344-5094-001	7/01/20-6/30/21	552,354		552,354		(552,354)				552,354	
On-Behalf Long Term Disability Insurance	21-495-0344-5094-004	7/01/20-6/30/21	752		752		(752)				752	
On-Behalf TPAF Pension Contributions	21-495-0344-5094-002	7/01/20-6/30/21	1,729,637		1,729,637		(1,729,637)				1,729,637	
On-Behalf TPAF NCGI Premium	21-495-0344-5094-003	7/01/20-6/30/21	32,909		32,909		(32,909)				32,909	
Reimbursed TPAF Social Security	20-495-0344-5094-003	7/01/19-6/30/20	438,725	\$ (21,949)	21,949						438,725	
Categorical Special Education Aid	20-495-0344-5120-089	7/01/19-6/30/20	464,408	(46,418)	46,418						464,408	
Equalization Aid	20-495-0344-5120-078	7/01/19-6/30/20	3,502,802	(350,111)	350,111						3,502,802	
Categorical Security Aid	20-495-0344-5120-084	7/01/19-6/30/20	20,481	(2,047)	2,047						20,481	
School Choice Aid	20-495-0344-5120-068	7/01/19-6/30/20	662,154	(66,183)	66,183						662,154	
Transportation Aid	20-495-0344-5120-014	7/01/19-6/30/20	177,329	(17,724)	17,724						177,329	
Extraordinary Aid	20-495-0344-5120-044	7/01/19-6/30/20	65,742	(59,757)	65,742					(5,985)	65,742	
Non-Public Transportation	20-495-0344-5120-014	7/01/19-6/30/20	1,529	(1,529)	1,529						1,529	
Total General Fund State Aid				(565,718)	7,586,521		(7,746,074)		(254,000)	(725,271)	13,073,259	
Total NJ Department of Education				(565,718)	7,586,521		(7,746,074)		(254,000)	(725,271)	13,073,259	

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance 6/30/2020		Cash Received	Budgetary Expenditures	Balance 6/30/2021		Memo
				Budgetary (Accounts Receivable)	(Accounts Receivable)			GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)	
State Department of Agriculture										
Enterprise Funds:										
COVID 19 - Seamless Summer Option	21-100-010-3350-023	7/01/20-6/30/21	\$ 965	\$	965	\$	(965)	\$	965	\$
State School Lunch Program - Supplemental	21-100-010-3350-023	7/01/19-6/30/20	159			(159)			159	
COVID 19 - Seamless Summer Option	20-100-010-3350-023	3/18/20-6/30/20	4	\$ (1)	1				4	
State School Lunch Program - Supplemental	20-100-010-3350-023	7/01/19-6/30/20	359	(359)	359				359	
Total Enterprise Fund				(360)	1,325	(1,124)		(159)	1,487	
Total State Awards				<u>\$ (566,078)</u>	<u>\$ 7,587,846</u>	<u>(7,747,198)</u>		<u>\$ (254,159)</u>	<u>\$ 13,074,746</u>	
Less: On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Medical Benefits	21-495-034-5094-001	7/01/20-6/30/21	552,354			552,354				
On-Behalf Long Term Disability Insurance	21-495-034-5094-004	7/01/20-6/30/21	752			752				
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/01/20-6/30/21	1,729,637			1,729,637				
On-Behalf TPAF NCGI Premium	21-495-034-5094-003	7/01/20-6/30/21	32,909			32,909				
Subtotal - On-Behalf TPAF Pension System Contributions						<u>2,315,652</u>				
Total State Awards - for Major Program Determination						<u>\$ (5,431,546)</u>				

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Lenape Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,212 for the General Fund and \$-0- for the Special Revenue Fund. See Exhibits C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as presented on the following page:

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 7,757,286	\$ 7,757,286
Special Revenue Fund	\$ 259,880		259,880
Food Service Fund	<u>45,752</u>	<u>1,124</u>	<u>46,876</u>
Total Awards	<u>\$ 305,632</u>	<u>\$ 7,758,410</u>	<u>\$ 8,064,042</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2021 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

<u>State:</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Aid Public:				
Categorical Special Education Aid	21-495-034-5121-089	7/1/20-6/30/21	\$ 464,408	\$ 464,408
Equalization Aid	21-495-034-5121-078	7/1/20-6/30/21	3,377,278	3,377,278
Categorical Security Aid	21-495-034-5121-084	7/1/20-6/30/21	20,481	20,481
School Choice Aid	21-495-034-5121-068	7/1/20-6/30/21	675,561	675,561

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

LENAPE VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

There were no prior year findings.