

**SCHOOL DISTRICT OF WALLKILL  
VALLEY REGIONAL**

**Wallkill Valley Regional High School District  
Hamburg, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

**Comprehensive Annual  
Financial Report**

**of the**

**Wallkill Valley Regional  
High School District**

**Hamburg, New Jersey**

**For the Fiscal Year Ended June 30, 2013**

**Prepared by**

**Wallkill Valley Regional High School  
For the Fiscal Year Ended June 30, 2013**

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INTRODUCTORY SECTION



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

*10 Grumm Road, Hamburg, NJ 07419*

*Phone (973) 827-4100*

*Fax (973) 827-8318*

October 28, 2013

The Honorable President and Members of  
 the Board of Education  
 Wallkill Valley Regional High School District  
 Hamburg, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Wallkill Valley Regional High School District (the "District") for the fiscal year ended June 30, 2013, 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 financial position and results of operations of the various funds 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 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 financial and demographic information, financial trends and fiscal capacity, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels 9 through 12 for the students residing in the Township of Hardyston, Borough of Ogdensburg, Borough of Hamburg and Borough of Franklin. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2012-13 fiscal year with an average daily enrollment of 691 students, which is a decrease of 17 students from the previous year's average daily enrollment.

The Honorable President and Members of  
the Board of Education  
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2) ECONOMIC CONDITION AND OUTLOOK: The growth in the constituent communities has slowed down considerably. New school construction in the constituent districts, particularly Hamburg and Hardyston are at completion. Average daily enrollment at the high school decreased by 17 students over the previous year. As of June 30, 2013, the enrollment was 709; as of September 1, 2013 we had 697 students enrolled at Wallkill Valley Regional High School, a decrease of 12 students over the summer.

3) MAJOR INITIATIVES: A referendum for a solar photovoltaic system was passed by the voters at the April 2011 annual school election in the amount of \$3,895,000. There were 881 yes votes and 635 no votes. The approval rate was 58% of the votes cast. Bids for the project came in significantly lower than anticipated. The solar panel project has been completed. It went on line April 1, 2012 and has been generating SREC's since that date. The project came in at \$2,386,651, \$28,348 below the bid amount. This is for the construction phase only and does not include architect fees, etc. The board has hired ENERactive Solutions to manage the sale of SREC's.

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 are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state 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 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 voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2013.

The Honorable President and Members of  
 the Board of Education  
 Wallkill Valley Regional High School District  
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 October 28, 2013

**6) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

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

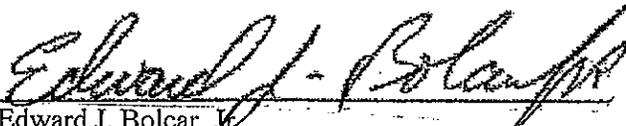
**8) RISK MANAGEMENT:** The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on 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's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The independent auditors' report on 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 and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

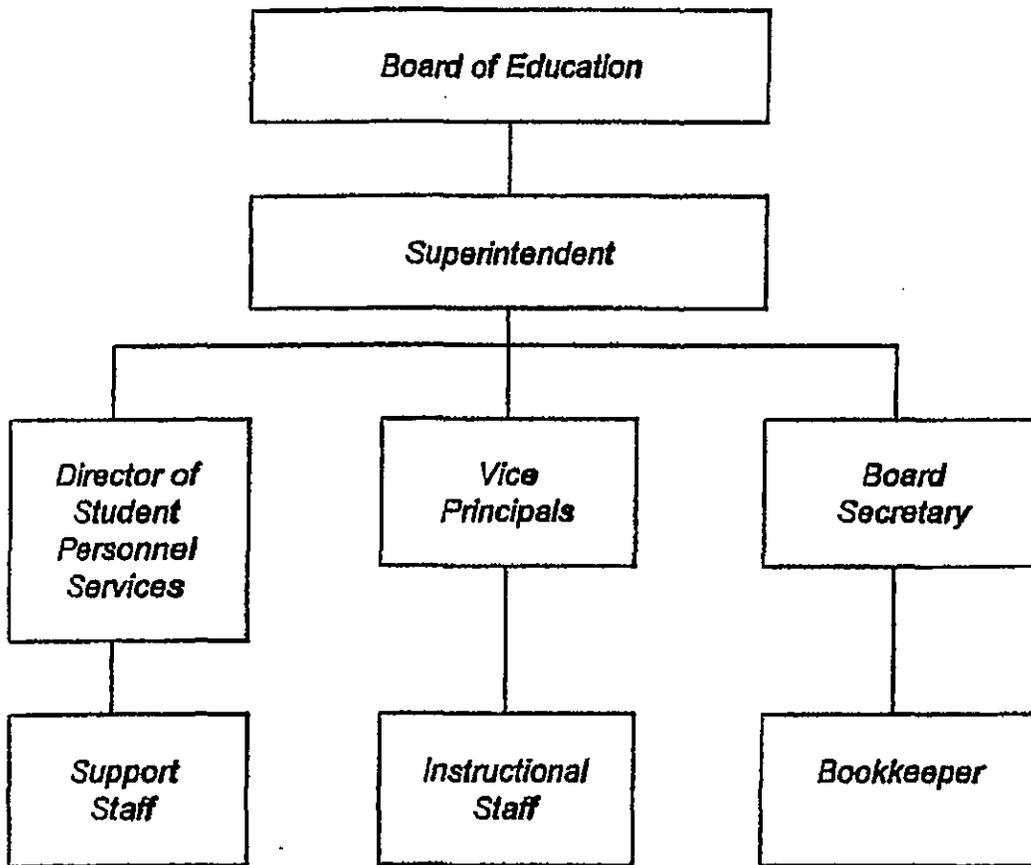


Edward J. Bolcar,  
 Superintendent and Chief School Administrator



Elizabeth N. Flatt  
 Business Administrator/Board Secretary

**WALLKILL VALLEY REGIONAL HIGH SCHOOL BOARD OF EDUCATION  
Organization Chart  
(Unit Control)**



**WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2013**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Ronald Neal, President	Franklin Borough	2013
William M. Castiglione, Vice President	Hardyston Township	2015
James R. Wright	Hardyston Township	2014
Lynette Apolito	Hamburg Borough	2014
Jeffrey S. Hilbert, Sr.	Franklin Borough	2014
Edward Card	Hardyston Township	2015
Guy G. McHugh	Hamburg Borough	2015
Robert Carlson	Hardyston Township	2013
Frank Sanfilippo	Ogdensburg Borough	2013

Other Officers

Edward J. Bolcar, Jr.	Superintendent and Chief School Administrator
Elizabeth N. Flatt	Business Administrator/Board Secretary
Sarah Anne McGrath	Treasurer

**WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mount Arlington, NJ 07856  
and  
Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

**Attorney**

Lindabury, McCormick, Estabrook & Cooper, P.C.  
Attorneys at Law  
53 Cardinal Drive  
P.O. Box 2369  
Westfield, NJ 07091

**Official Depository**

Sussex Bank  
399 Route 23  
Franklin, NJ 07416

FINANCIAL SECTION



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax  
 Lawrence Business Park  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

## Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Wallkill Valley Regional High School District  
 Hamburg, 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 Wallkill Valley Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2013, 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.

The Honorable President and Members  
of the Board of Education  
Wallkill Valley Regional High School District  
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### *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 Wallkill Valley Regional High School District, in the County of Sussex, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, and the budgetary comparison information in Exhibits C-1 through C-3 and I-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 supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements 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 supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

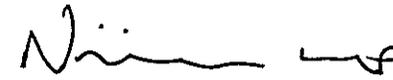
The Honorable President and Members  
of the Board of Education  
Wallkill Valley Regional High School District  
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The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures 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 28, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 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 28, 2013  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

  
\_\_\_\_\_  
David H. Evans, Partner  
Licensed Public School Accountant #740  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
Unaudited**

This section of Wallkill Valley Regional High School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. 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.

**Financial Highlights**

- The District's financial status remains relatively strong. At the close of 2012-13 school year, the District's General Fund had excess surplus of \$87,688.
- The overall revenue of the District totaled \$15,732,592 which was an increase of \$576,426 compared to the prior year. This was primarily due to increased property taxes and state and federal aid.
- The overall expenditures of the District totaled \$15,355,739 which was a decrease of \$645,631 compared to the prior year. This was primarily due to a decrease of \$643,686 in Regular Instruction expenditures compared to the prior year.
- Net position of the District's business-type activity – food service program – decreased by \$25,311 over the previous year.
- In 2012-13 the District paid down \$1,235,000 of serial bond debt.

**Overview of the Financial Statements**

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

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

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

**Figure A-1**  
**Organization of Wallkill Valley Regional High School Financial Report**

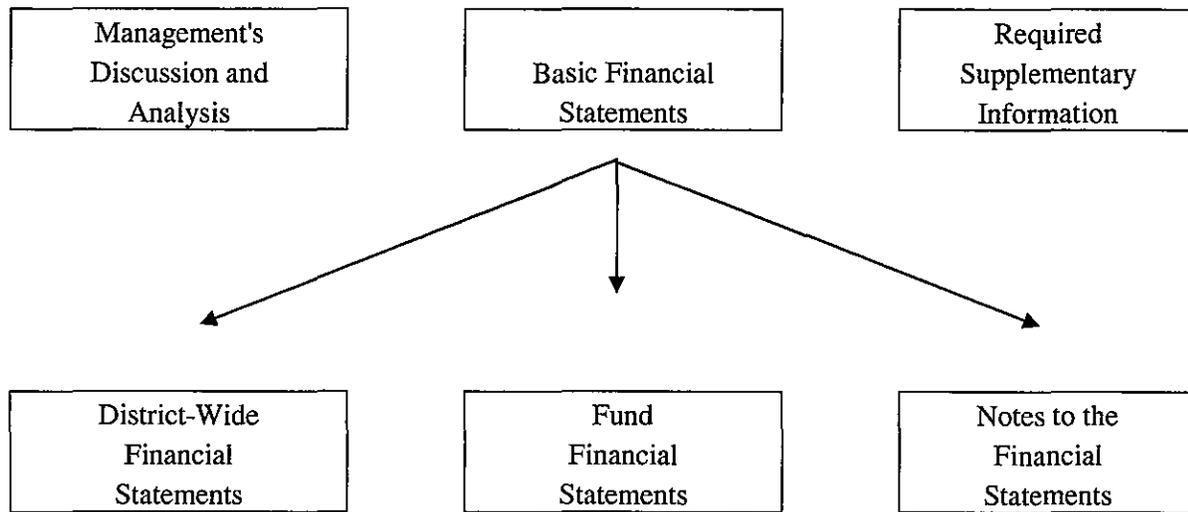


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

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

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

### ***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 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 and liabilities – are one way to measure the District's financial health or *position*.

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

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

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

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

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

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

The District has three kinds of funds:

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

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.
- *Notes to Financial Statements:* The notes provide 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 Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a school's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Figure A-3

#### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	
Current and							
Other Assets	\$ 2,380,232	\$ 1,520,066	\$ 56,229	\$ 44,454	\$ 2,436,461	\$ 1,564,520	-35.79%
Capital Assets	11,519,863	11,435,032	14,875	13,351	11,534,738	11,448,383	-0.75%
Total Assets	13,900,095	12,955,098	71,104	57,805	13,971,199	13,012,903	-6.86%
Long-term							
Debt Out-							
standing	6,371,489	5,050,814			6,371,489	5,050,814	-20.73%
Other Liabilities	336,546	310,060	2,227	14,239	338,773	324,299	-4.27%
Total							
Liabilities	6,708,035	5,360,874	2,227	14,239	6,710,262	5,375,113	-19.90%
Net Position							
Net Investment in							
Capital Assets	5,869,863	7,020,032	14,875	13,351	5,884,738	7,033,383	19.52%
Restricted	2,026,228	777,420			2,026,228	777,420	-61.63%
Unrestricted/							
(Deficit)	(704,031)	(203,228)	54,002	30,215	(650,029)	(173,013)	73.38%
Total Net							
Position	\$ 7,192,060	\$ 7,594,224	\$ 68,877	\$ 43,566	\$ 7,260,937	\$ 7,637,790	5.19%

*Changes in Net Position.* The District's *combined* net position was \$7,637,790 on June 30, 2013, \$376,853 or 5.19% higher than they were the year before. (See Figure A-3). The depreciation factored into the net position of the District as a decrease is \$331,688. The net position of the business-type activities decreased \$25,311 (See Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	
Revenue:							
Program Revenue:							
Charges for Services		\$ 4,600	\$ 187,788	\$ 153,605	\$ 187,788	\$ 158,205	-15.75%
Operating Grants and Contributions	\$ 6,050,943	6,076,945	64,357	65,960	6,115,300	6,142,905	0.45%
General Revenue:							
Property Taxes	8,765,642	9,365,176			8,765,642	9,365,176	6.84%
Other	86,798	66,154	638	152	87,436	66,306	-24.17%
Total Revenue	<u>14,903,383</u>	<u>15,512,875</u>	<u>252,783</u>	<u>219,717</u>	<u>15,156,166</u>	<u>15,732,592</u>	3.80%
Expenses:							
Instruction	8,562,935	8,012,470			8,562,935	8,012,470	-6.43%
Pupil and Instruction Services	3,004,155	2,894,490			3,004,155	2,894,490	-3.65%
Administrative and Business	1,309,385	1,370,685			1,309,385	1,370,685	4.68%
Maintenance and Operations	1,354,625	1,407,388			1,354,625	1,407,388	3.90%
Transportation	1,290,220	1,191,416			1,290,220	1,191,416	-7.66%
Other	169,111	234,262	310,939	245,028	480,050	479,290	-0.16%
Total Expenses	<u>15,690,431</u>	<u>15,110,711</u>	<u>310,939</u>	<u>245,028</u>	<u>16,001,370</u>	<u>15,355,739</u>	-4.03%
Increase/(Decrease) in Net Position	<u>\$ (787,048)</u>	<u>\$ 402,164</u>	<u>\$ (58,156)</u>	<u>\$ (25,311)</u>	<u>\$ (845,204)</u>	<u>\$ 376,853</u>	144.59%

*Revenue Sources.* The District's total revenue for the 2012/13 school year was \$15,732,592. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$9,365,176 of the total, or 59.53 percent. (See Figure A-5). Another 39.04 percent came from state and federal aid for specific programs and the remainder from miscellaneous sources, and charges for services. Wallkill Valley Regional High School District basically conducts its operations from the revenue it receives from its local taxpayers and state sources. It is important to note that of the categorical grants amount, \$939,480 is included in funds that are not paid to the District, but are included in funding for pension payments and post retirement contributions that the State of New Jersey is paying on behalf of the District.

**Figure A-5**  
**Sources of Revenue for Fiscal Year 2013**

	Amount	Percentage
Sources of Income:		
Property Taxes	\$ 9,365,176	59.53%
Federal and State Categorical Grants	6,142,905	39.04%
Charges for Services	158,205	1.01%
Other	66,306	0.42%
Total Revenue	<u>\$ 15,732,592</u>	<u>100.00%</u>

The total cost of all programs and services was \$15,355,739. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (78.79 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.93 percent of total costs. It is important to note that expenses include \$331,688 and \$1,524 of depreciation related to governmental and business-type capital assets, respectively.

**Figure A-6**  
**Expenses for Fiscal Year 2013**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 8,012,470	52.18%
Pupil and Instruction Services	2,894,490	18.85%
Administrative and Business	1,370,685	8.92%
Maintenance and Operations	1,407,388	9.17%
Transportation	1,191,416	7.76%
Other	479,290	3.12%
<b>Total Expenses</b>	<b><u><u>\$ 15,355,739</u></u></b>	<b><u><u>100.00%</u></u></b>

***Governmental Activities***

As discussed elsewhere in this commentary, the financial position of the District remains relatively stable. Maintaining existing programs with 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.

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

- Increased use of federal funds for tuition and related service costs.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

**Figure A-7**  
**Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011/12</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2012/13</u>
Instruction	\$ 8,562,935	\$ 8,012,470	\$ 3,459,480	\$ 2,935,468
Pupil and Instruction Services	3,004,155	2,894,490	2,716,919	2,562,266
Administrative and Business	1,309,385	1,370,685	1,179,908	1,228,926
Maintenance and Operations	1,354,625	1,407,388	1,281,970	1,324,998
Transportation	1,290,220	1,191,416	832,100	743,246
Other	169,111	234,262	169,111	234,262
	<b><u><u>\$ 15,690,431</u></u></b>	<b><u><u>\$ 15,110,711</u></u></b>	<b><u><u>\$ 9,639,488</u></u></b>	<b><u><u>\$ 9,029,166</u></u></b>

- The cost of all governmental activities this year was \$15.11 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$6.08 million).
- Most of the District's costs (\$9.37 million), however, were financed by District taxpayers.

### ***Business-Type Activities***

Net position from the District's business-type activity decreased by \$25,311. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenue by \$25,311, accounting for the decrease in the net position of the business-type activities. The current operation is run by Maschio's Food Service, Inc.

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

The District's financial position remains relatively stable despite significant changes in the student clientele and difficult economic conditions. Expenditures related to special needs children have increased significantly due to additional students, requiring related services and material needs, as well as transportation to special schools. Salaries of staff have been increased by prior year negotiated agreements. Health costs have been contained for several years; however, significantly increased premiums are anticipated in the next few years. The Board has been able to save health premium costs by offering a program to staff whereby they can waive certain benefits under certain conditions. While a small increase in state aid was realized in 2012-13, it is not guaranteed that this will continue.

### **General Fund Budgetary Highlights**

The District did not increase its original budget other than for encumbrances carried over from the previous year. Changes were made within budgetary line items for changes in school based needs in programs, supplies and equipment but these changes did not increase the budget.

### **Capital Asset and Debt Administration**

**Figure A-8**

#### **Capital Assets (Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Percentage</u>
	<u>2011/12</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2011/12</u>	<u>2012/13</u>	<u>Change</u>
Buildings, Building and Site Improvements	\$ 11,095,492	\$ 10,968,353			\$ 11,095,492	\$ 10,968,353	-1.15%
Machinery and Equipment	424,371	466,679	\$ 14,875	\$ 13,351	439,246	480,030	9.29%
Total Capital Assets - (Net of Depreciation)	<u>\$ 11,519,863</u>	<u>\$ 11,435,032</u>	<u>\$ 14,875</u>	<u>\$ 13,351</u>	<u>\$ 11,534,738</u>	<u>\$ 11,448,383</u>	-0.75%

The District's overall capital assets increased from the prior year due to the completion of the solar panel installation project. (More detailed information about the District's capital assets is presented in Note 6 to the financial statements.)

**Long-term Debt**

At year-end, the District had \$4,415,000 in general obligation bonds outstanding – a decrease of \$1,235,000 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-9****Outstanding Long-Term Debt**

	Total School District		Percentage Change
	2011/12	2012/13	
General Obligation Bonds (Financed with Property Taxes)	\$ 5,650,000	\$ 4,415,000	-21.86%
Less: Deferred Amount on Refunding	(17,571)	(15,814)	-10.00%
	<u>5,632,429</u>	<u>4,399,186</u>	
Other Long Term Liabilities	739,060	651,628	-11.83%
	<u>\$ 6,371,489</u>	<u>\$ 5,050,814</u>	-20.73%

- The District continued to pay down its debt, retiring \$1,235,000 of outstanding bonds.

**Factors Bearing on the District's Future Revenue/Expense Changes**

- The Wallkill Valley Regional High School District is presently in good financial condition. The District is proud of its community support of the public school and the pride that the students take in their building. A major concern is that community support will not continue to be as strong if tax increases are necessitated by flat funding or minimal increases in state aid. Another concern is that the school building is getting older and will require more repairs and upgrades in the future.
- Wallkill Valley Regional High School District's budget for 2012-13 was not voted on by the public due to the District's passing a resolution to stay at or under cap and to have board elections in November.
- A labor agreement with teachers expired June 30, 2011. A new agreement was reached in the Spring of 2013 for the 2011-12, 2012-13, and 2013-14 school years.
- The District routinely monitors the rules and regulations of the No Child Left Behind federal legislation to assess and ensure financial compliance.
- It is important that the District continues to be able to complete capital improvement projects and to maintain the physical plant of the District.
- A referendum for a solar photovoltaic system was passed by the voters at the April 2011 annual school election in the amount of \$3,895,000. There were 881 yes votes and 635 no votes. The approval rate was 58% of the votes cast. Bids for the project came in significantly lower than anticipated. The District has begun to sell the SRECs and a check in the amount of \$118,632.96 was received in July 2013.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Wallkill Valley Regional High School District, 10 Grumm Road, Hamburg, New Jersey.

**BASIC FINANCIAL STATEMENTS**

DISTRICT-WIDE FINANCIAL STATEMENTS

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,048,856	\$ 28,654	\$ 1,077,510
Receivables from Other Governments	94,412	133	94,545
Receivables from Federal Government	218,310	3,447	221,757
Internal Balances	(6,283)	6,283	
Inventory		5,937	5,937
Unamortized Bond Issuance Costs	64,027		64,027
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	100,744		100,744
Capital Assets:			
Depreciable Buildings and Building Improvements, Site Improvements and Furniture, Machinery and Equipment	<u>11,435,032</u>	<u>13,351</u>	<u>11,448,383</u>
Total Assets	<u>12,955,098</u>	<u>57,805</u>	<u>13,012,903</u>
<b>LIABILITIES</b>			
Accounts Payable	131,513	12,867	144,380
Unearned Revenue	10,638	1,372	12,010
Accrued Interest Payable	66,853		66,853
Unamortized Bond Premium	101,056		101,056
Noncurrent Liabilities:			
Due Within One Year	321,757		321,757
Due Beyond One Year	<u>4,729,057</u>		<u>4,729,057</u>
Total Liabilities	<u>5,360,874</u>	<u>14,239</u>	<u>5,375,113</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,020,032	13,351	7,033,383
Restricted for:			
Capital Projects	531,125		531,125
Debt Service	970		970
Other Purposes	245,325		245,325
Unrestricted/(Deficit)	<u>(203,228)</u>	<u>30,215</u>	<u>(173,013)</u>
Total Net Position	<u>\$ 7,594,224</u>	<u>\$ 43,566</u>	<u>\$ 7,637,790</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</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>
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 6,195,588	\$ 4,600	\$ 4,446,983		\$ (1,744,005)	\$ (1,744,005)
Special Education	1,091,328		549,602		(541,726)	(541,726)
Other Special Instruction	70,092		10,990		(59,102)	(59,102)
School Sponsored/Other Instruction	655,462		64,827		(590,635)	(590,635)
<b>Support services:</b>						
Tuition	1,213,662		144,658		(1,069,004)	(1,069,004)
Student & Instruction Related Services	1,680,828		187,566		(1,493,262)	(1,493,262)
General Administrative Services	526,928		41,842		(485,086)	(485,086)
School Administrative Services	625,314		72,841		(552,473)	(552,473)
Central Services	218,443		27,076		(191,367)	(191,367)
Plant Operations and Maintenance	1,407,388		82,390		(1,324,998)	(1,324,998)
Pupil Transportation	1,191,416		448,170		(743,246)	(743,246)
Interest on Long-Term Debt	173,493				(173,493)	(173,493)
Unallocated Depreciation	35,706				(35,706)	(35,706)
Capital Outlay	25,063				(25,063)	(25,063)
<b>Total Governmental Activities</b>	<b>15,110,711</b>	<b>\$ 4,600</b>	<b>6,076,945</b>	<b>\$ -0-</b>	<b>(9,029,166)</b>	<b>\$ -0-</b>

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<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>
Food Service	\$ 245,028	\$ 153,605	\$ 65,960		\$ (25,463)	\$ (25,463)
Total Business-Type Activities	245,028	153,605	65,960		(25,463)	(25,463)
Total Primary Government	\$ 15,355,739	\$ 158,205	\$ 6,142,905		\$ (9,029,166)	\$ (9,054,629)
 General Revenues:						
Taxes:						
				\$ 8,966,082		\$ 8,966,082
				399,094		399,094
				1,312	\$ 152	1,464
				2		2
				64,840		64,840
				9,431,330	152	9,431,482
				402,164	(25,311)	376,853
				7,192,060	68,877	7,260,937
				\$ 7,594,224	\$ 43,566	\$ 7,637,790

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 616,759		\$ 431,452	\$ 645	\$ 1,048,856
Receivables From State Government	94,382		30		94,412
Receivables From Federal Government		\$ 218,310			218,310
Interfund Receivable	207,672			325	207,997
Restricted Cash and Cash Equivalents	100,744				100,744
<b>Total Assets</b>	<b>\$ 1,019,557</b>	<b>\$ 218,310</b>	<b>\$ 431,482</b>	<b>\$ 970</b>	<b>\$ 1,670,319</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 130,737		\$ 776		\$ 131,513
Interfund Payable	6,283	\$ 207,672	325		214,280
Unearned Revenue		10,638			10,638
<b>Total Liabilities</b>	<b>137,020</b>	<b>218,310</b>	<b>1,101</b>		<b>356,431</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	100,744				100,744
Excess Surplus	87,688				87,688
Excess Surplus - For Subsequent Year's Expenditures	157,637				157,637
Capital Projects Fund			430,381		430,381
Debt Service Fund				\$ 970	970
<b>Assigned to:</b>					
Year-end Encumbrances	400,352				400,352
For Subsequent Year's Expenditures	136,116				136,116
<b>Total Fund Balances</b>	<b>882,537</b>		<b>430,381</b>	<b>970</b>	<b>1,313,888</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,019,557</b>	<b>\$ 218,310</b>	<b>\$ 431,482</b>	<b>\$ 970</b>	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,635,665 and the accumulated depreciation is \$7,200,633.	11,435,032
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,066,628)
Bond Issuance Costs are Reported as expenditures in the Governmental Funds. The Cost is \$99,597 and the Amortization is \$35,570.	64,027
Deferred Interest is Reported as an expenditure in the Governmental Funds. The Cost is \$24,599 and the accumulated Amortization is \$8,785.	15,814
Bond Premiums are Reported as revenue in the Governmental Funds. The Premium is \$157,196 and the accumulated Amortization is \$56,140.	(101,056)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.	(66,853)
<b>Net Position of Governmental Activities</b>	<b>\$ 7,594,224</b>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 8,966,082			\$ 399,094	\$ 9,365,176
Tuition	4,600				4,600
Interest Earned on Capital Reserve Funds	1,314				1,314
Unrestricted Miscellaneous	63,871		\$ 969		64,840
Total - Local Sources	9,035,867		969	399,094	9,435,930
State Sources	5,839,127				5,839,127
Federal Sources	18,852	\$ 218,966			237,818
Total Revenue	14,893,846	218,966	969	399,094	15,512,875
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	4,410,532	74,308			4,484,840
Special Education Instruction	744,760				744,760
Other Special Instruction	59,102				59,102
Other Instruction	544,456				544,456
Support Services and Undistributed Costs:					
Tuition	1,069,004	144,658			1,213,662
Student & Instruction Related Services	1,155,244				1,155,244
General Administrative Services	395,350				395,350
School Administrative Services	412,972				412,972

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (Cont'd):					
Support Services and Undistributed Costs (Cont'd):					
Central Services	\$ 157,130				\$ 157,130
Plant Operations and Maintenance	938,809				938,809
Pupil Transportation	1,191,416				1,191,416
Benefits - Allocated and Unallocated	3,370,158				3,370,158
Debt Service:					
Principal				\$ 1,235,000	1,235,000
Interest and Other Charges				200,563	200,563
Capital Outlay	105,811		\$ 166,109		271,920
Total Expenditures	<u>14,554,744</u>	<u>\$ 218,966</u>	<u>166,109</u>	<u>1,435,563</u>	<u>16,375,382</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	<u>339,102</u>		<u>(165,140)</u>	<u>(1,036,469)</u>	<u>(862,507)</u>
OTHER FINANCING SOURCES/(USES):					
Transfers In				1,021,542	1,021,542
Transfers Out			(1,021,542)		(1,021,542)
Total Other Financing Sources/(Uses)			<u>(1,021,542)</u>	<u>1,021,542</u>	
Net Change in Fund Balances	339,102		(1,186,682)	(14,927)	(862,507)
Fund Balance—July 1	<u>543,435</u>		<u>1,617,063</u>	<u>15,897</u>	<u>2,176,395</u>
Fund Balance—June 30	<u>\$ 882,537</u>	<u>\$ -0-</u>	<u>\$ 430,381</u>	<u>\$ 970</u>	<u>\$ 1,313,888</u>

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

WALLKILL 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, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (862,507)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differs from depreciation in the period.

	Depreciation expense	\$ (331,688)	
	Capital outlays	<u>246,857</u>	(84,831)

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 1,235,000

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 87,432

In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. 24,713

The Governmental Funds report the effect of issuance costs and deferred interest when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. 2,357

Change in Net Position of Governmental Activities \$ 402,164

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

Exhibit B-4

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 28,654
Accounts Receivable:	
State	133
Federal	3,447
Interfund Receivable	6,283
Inventories	<u>5,937</u>
Total Current Assets	<u>44,454</u>
Non-Current Assets:	
Capital Assets	70,085
Less: Accumulated Depreciation	<u>(56,734)</u>
Total Non-Current Assets	<u>13,351</u>
Total Assets	<u>57,805</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	12,867
Unearned Revenue	<u>1,372</u>
Total Current Liabilities	<u>14,239</u>
<u>NET POSITION:</u>	
Net Investment in Capital Assets	13,351
Unrestricted	<u>30,215</u>
Total Net Position	<u>\$ 43,566</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 74,865
Daily Sales - Non-Reimbursable Programs	78,740
	153,605
Total Operating Revenue	153,605
Operating Expenses:	
Cost of Sales	139,063
Salaries & Payroll Taxes	79,340
Employee Benefits	13,116
Management Fee	8,903
Professional and Technical Services	1,261
Depreciation Expense	1,524
Other Miscellaneous Expenses	1,821
	245,028
Total Operating Expenses	245,028
Operating (Loss)	(91,423)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	1,947
Federal Sources:	
National School Lunch Program	49,378
Food Distribution Program	14,635
Local Sources:	
Interest on Investments	152
	66,112
Total Non-Operating Revenue	66,112
Change in Net Position	(25,311)
Net Position - Beginning of Year	68,877
Net Position - End of Year	\$ 43,566

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>
	<u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 153,605
Payments to Employees	(79,340)
Payments for Benefits	(13,116)
Payments to Food Service Vendor	(8,903)
Payments to Suppliers	<u>(106,598)</u>
Net Cash Used for Operating Activities	<u>(54,352)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>48,509</u>
Net Cash Provided by Noncapital Financing Activities	<u>48,509</u>
Cash Flows from Investing Activities:	
Investment Income	<u>152</u>
Net Cash Flows Provided by Investing Activities	<u>152</u>
Net Decrease in Cash and Cash Equivalents	(5,691)
Cash and Cash Equivalents, July 1	<u>34,345</u>
Cash and Cash Equivalents, June 30	<u>\$ 28,654</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (91,423)
Adjustment to Reconcile Operating Loss to Cash used for Operating Activities:	
Federal Food Distribution Program	14,635
Depreciation	1,524
Changes in Assets and Liabilities:	
Decrease in Inventory	3,470
Decrease in Interfund Receivable	5,430
Increase in Accounts Payable	12,867
(Decrease) in Unearned Revenue	<u>(855)</u>
Net Cash Used for Operating Activities	<u>\$ (54,352)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$13,780 and utilized commodities valued at \$14,635.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 20,313	\$ 108,592	\$ 51,920	\$ 7,797	\$ 188,622
Total Assets	<u>20,313</u>	<u>108,592</u>	<u>51,920</u>	<u>7,797</u>	<u>188,622</u>
<b>LIABILITIES:</b>					
Net Salaries and Wages	1,484				1,484
Payroll Deductions and Withholdings	18,829				18,829
Due to Student Groups		108,287			108,287
Accounts Payable		305			305
Total Liabilities	<u>20,313</u>	<u>108,592</u>			<u>128,905</u>
<b>NET POSITION:</b>					
Held in Trust for Unemployment Claims				7,797	7,797
Restricted For Scholarships			51,920		51,920
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 51,920</u>	<u>\$ 7,797</u>	<u>\$ 59,717</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Other		\$ 6,265	\$ 6,265
Total Contributions		6,265	6,265
Investment Earnings:			
Interest	\$ 8	11	19
Net Investment Earnings	8	11	19
Total Additions	8	6,276	6,284
DEDUCTIONS:			
Scholarships Awarded		5,100	5,100
Total Deductions		5,100	5,100
Change in Net Position	8	1,176	1,184
Net Position - Beginning of the Year	7,789	50,744	58,533
Net Position - End of the Year	\$ 7,797	\$ 51,920	\$ 59,717

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Wallkill 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 publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include a senior high school located in the Borough of Hamburg. 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 government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business type activities are financed in part by fees charged to external parties.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
 (Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following governmental funds:

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

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

Special Revenue Fund: The Special Revenue Fund is used to account for 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.

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 major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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 program. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers are made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

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	\$ 14,866,584	\$ 218,966
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	455,391	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(428,129)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 14,893,846	\$ 218,966

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General	Special
	Fund	Revenue
Sources/Inflows of Resources	<u>        </u>	<u>        </u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 14,554,744</u>	<u>\$ 218,966</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 14,554,744</u></u>	<u><u>\$ 218,966</u></u>

E. 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.

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(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 source/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 or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Amounts:

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 Receivable/Payable:

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures 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, 2013.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

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. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable 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, governmental fund types recognize bond discounts, as well as bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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, 2013.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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

N. Compensated Absences: (Cont'd)

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 \$882,537 General Fund fund balance at June 30, 2013, \$400,352 is assigned for year-end encumbrances; \$100,744 is restricted for the capital reserve account; \$87,688 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the year ended June 30, 2015; \$157,637 is the prior year excess surplus and has been restricted for and included as anticipated revenue for the year ending June 30, 2014; \$136,116 is assigned for subsequent year's expenditures which is \$96,131 less on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2014; and \$0 is unassigned which is \$331,998 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2014.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2013 of \$970 is restricted.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2013 of \$430,381 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2013 as noted above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$331,988 and assigned for subsequent year \$96,131 less 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 last two 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 Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the 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.

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

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

Q. Deficit Net Position

The District has a \$203,228 deficit in its governmental activities Unrestricted Net Position at June 30, 2013 primarily due to a result of the accrual of interest and compensated absences payable. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the current fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

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 did not have any deferred inflows or outflows of resources at June 30, 2013.

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.

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2013.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances, and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2013.

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 the fiscal year end.

Non-exchange 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 non-exchange 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.

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

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

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.

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.

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.

Investments are stated at cost, which approximates market. 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 Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, 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 page.

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:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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 (Continued)

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

Deposits: (Cont'd)

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

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.

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, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (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 statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

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

As of June 30, 2013, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	\$ 1,266,132	\$ 100,744	\$ 1,366,876

During the period ended June 30, 2013, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2013, was \$1,368,348 and the bank balance was \$1,919,096.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Board resolution on September 26, 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 department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 742
Increased by:	
Board resolution June 25, 2013	100,000
Interest Earnings	<u>2</u>
Ending Balance, June 30, 2013	<u>\$ 100,744</u>

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 is equal to or greater than \$100,744.

NOTE 5. TRANSFER TO CAPITAL OUTLAY:

During the year ended June 30, 2013, the District made transfers to capital outlay accounts in the amount of \$204,300 for equipment which did not require county superintendent approval.

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

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 69,013
Other Instruction	39,614
General Administrative Services	66,510
School Administrative Services	17,525
Plant Operation and Maintenance	103,320
Unallocated	35,706
	<u>\$ 331,688</u>

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification of Construction in Progress</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets not Being Depreciated:					
Construction In Progress		\$ 166,109		\$ (166,109)	
Total Capital Assets Not Being Depreciated		<u>166,109</u>		<u>(166,109)</u>	
Capital Assets Being Depreciated:					
Buildings, Building Improvements and Site Improvements	\$ 17,408,335			166,109	\$ 17,574,444
Machinery and Equipment	1,069,348	80,748	\$ (88,875)		1,061,221
Total Capital Assets Being Depreciated	<u>18,477,683</u>	<u>80,748</u>	<u>(88,875)</u>	<u>166,109</u>	<u>18,635,665</u>
Governmental Activities Capital Assets	<u>18,477,683</u>	<u>246,857</u>	<u>(88,875)</u>		<u>18,635,665</u>
Less Accumulated Depreciation for:					
Buildings, Building Improvements and Site Improvements	(6,312,843)	(293,248)			(6,606,091)
Machinery and Equipment	(644,977)	(38,440)	88,875		(594,542)
	<u>(6,957,820)</u>	<u>(331,688)</u>	<u>88,875</u>		<u>(7,200,633)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,519,863</u>	<u>\$ (84,831)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 11,435,032</u>
Business Type Activities:					
Capital Assets Being Depreciated:					
Furniture and Equipment	\$ 70,085				\$ 70,085
Less Accumulated Depreciation	(55,210)	\$ (1,524)			(56,734)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 14,875</u>	<u>\$ (1,524)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 13,351</u>

The District had completed a construction project for the installation of solar panels as of June 30, 2013.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

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(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2013</u>
Bond Payable	\$ 5,650,000		\$ 1,235,000	\$ 4,415,000
Less: Deferred Amount on Refunding	<u>(17,571)</u>		<u>1,757</u>	<u>(15,814)</u>
Net Serial Bonds Payable	5,632,429		1,236,757	4,399,186
Compensated Absences Payable	<u>739,060</u>	<u>\$ 60,571</u>	<u>148,003</u>	<u>651,628</u>
	<u>\$ 6,371,489</u>	<u>\$ 60,571</u>	<u>\$ 2,621,517</u>	<u>\$ 5,050,814</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the debt service fund.

The District had bonds and loans outstanding as of June 30, 2013 as follows:

<u>Maturity</u> <u>Date</u>	<u>Serial Bonds</u> <u>Interest</u> <u>Rate</u>	<u>Amount</u>
7/15/2021	4.00%-5.00%	\$ 2,115,000
9/1/2031	2.00%-3.750%	<u>2,300,000</u>
		<u>\$ 4,415,000</u>

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

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 320,000	\$ 157,287	\$ 477,287
2015	320,000	146,188	466,188
2016	315,000	134,394	449,394
2017	325,000	121,450	446,450
2018	335,000	107,875	442,875
2019-2023	1,510,000	353,188	1,863,188
2024-2028	675,000	172,312	847,312
2029-2032	<u>615,000</u>	<u>45,450</u>	<u>660,450</u>
	<u>\$ 4,415,000</u>	<u>\$ 1,238,144</u>	<u>\$ 5,653,144</u>

On January 22, 2008, the Wallkill Valley Regional High School District issued \$3,075,000 refunding bonds with interest rates ranging from 3.50% to 5.00% to advance refund \$3,108,000 school bonds with interest rates ranging from 4.50% to 5.00%. The refunding bonds mature on July 15, 2008 through 2022 and September 15, 2009 was the first optional redemption date at 100% of par. The advance refunding met the requirements of an

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

As a result of the advance refunding, the District reduced its total debt service requirements by \$181,490, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$141,925. Interest in the amount of \$24,599 was deferred upon issuance, and \$15,814 is deferred at June 30, 2013.

B. Capital Leases Payable:

The District had no capital leases payable at June 30, 2013.

C. Bonds and Notes Authorized but not Issued

The District had no bonds and notes authorized by not issued at June 30, 2013.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The long-term liability balance of compensated absences of \$651,628. Compensated absences will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Food Service Fund.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF or PERS and retire at a specified age or after 55 according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of credible service. Vesting occurs after 8 to 10 years of service.

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 each of the above systems. 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.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Effective July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

NOTE 8. PENSION PLANS (Cont'd)

Employers are required to contribute at an actuarially determined rate in the PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

District contributions to PERS amounted to \$88,063, \$97,201 and \$94,958 for the fiscal years ended June 30, 2013, 2012 and 2011 respectively.

During the fiscal years ended June 30, 2013, 2012 and 2011 the State of New Jersey contributed \$440,916, \$211,134 and \$-0-, respectively, to the TPAF for pension benefits on-behalf of the District.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributed to P.L. 1992, c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$498,564, \$424,432, and \$431,030 for 2013, 2012, and 2011, respectively.

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. Health benefits are provided by Amerihealth.

Property and Liability

The Wallkill Valley Regional High School District is a member of the New Jersey School Boards Association Insurance Group (the "Group"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Group is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Group are elected.

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

NOTE 10. RISK MANAGEMENT (Cont'd)

As a member of this Group, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Group were to be exhausted, members would become responsible for their respective shares of the Group's liabilities. The Group can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution is declared.

Selected financial information for the NJSBAIG as of June 30, 2013 is as follows:

	New Jersey School Board Association Insurance Group (NJSBAIG) <u>2013</u>
Total Assets	\$ 277,741,572
Net Position	\$ 65,389,322
Total Revenue	\$ 114,969,485
Total Expenses	\$ 113,723,547
Change in Net Position	\$ 1,245,938
Member Dividends	\$ -0-

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

Willis Pooling  
450 Veterans Drive  
Burlington, NJ 08628  
(609) 386-6060

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit the entire amount of employee deductions to the State. The following is a summary of interest earned and reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous year.

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$ -0-	\$ 8	\$ -0-	\$ -0-	\$ 7,797
2011-2012	-0-	22	-0-	-0-	7,789
2010-2011	-0-	37	-0-	-0-	7,767

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
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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 following interfund balances remained on the fund financial statements at June 30, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 207,672	\$ 6,283
Special Revenue Fund		207,672
Capital Projects Fund		325
Debt Service Fund	325	
Enterprise Fund - Food Service	6,283	
	<u>\$ 214,280</u>	<u>\$ 214,280</u>

During the year interest is earned in the Capital Projects Fund and is subsequently transferred to the Debt Service Fund. At the end of the year there was \$325 due from the Capital Projects Fund to the Debt Service Fund for interest earned in the current year. \$6,283 is due from the General Fund to the Enterprise Fund for Federal and State Lunch reimbursements. The interfund payable in the Special Revenue Fund due to the General Fund is the amount of the cash deficit in the Special Revenue Fund due to a timing lag in the reimbursement of federal grant funds from the state.

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2013, were:

	<u>Governmental-Type Activities</u>		<u>Total</u>	<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Governmental Type-Activities</u>	<u>Business Type-Activities</u>
Vendors	\$ 130,737	\$ 776	\$ 131,513	\$ 12,867
	<u>\$ 130,737</u>	<u>\$ 776</u>	<u>\$ 131,513</u>	<u>\$ 12,867</u>

NOTE 14. DEFERRED COMPENSATION

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

VALIC  
Equitable Financial Companies  
Metropolitan Life

Lincoln National  
Siracusa Benefits

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 15. 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 municipality and are remitted to the local and regional school districts on predetermined, agreed-upon schedules.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

The school district participates in 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 pending 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 position of the District.

Encumbrances

At June 30, 2013, there were encumbrances as detailed below in the governmental funds.

General Fund	
<u>\$</u>	<u>400,352</u>
<u>\$</u>	<u>400,352</u>

BUDGETARY COMPARISON SCHEDULES

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 8,966,082		\$ 8,966,082	\$ 8,966,082	
Tuition	4,000		4,000	4,600	\$ 600
Other Restricted Miscellaneous	4,600		4,600		(4,600)
Interest Earned on Capital Reserve Funds	4		4	2	(2)
Unrestricted Miscellaneous	2,000		2,000	65,183	63,183
<b>Total - Local Sources</b>	<b>8,976,686</b>		<b>8,976,686</b>	<b>9,035,867</b>	<b>59,181</b>
State Sources:					
Transportation Aid	453,990		453,990	453,990	
Special Education Aid	406,063		406,063	406,063	
Equalization Aid	2,698,928		2,698,928	2,698,928	
Security Aid	59,821		59,821	59,821	
Adjustment Aid	718,835		718,835	718,835	
Extraordinary Aid				65,921	65,921
Non-public Transportation Aid				3,810	3,810
On-Behalf TPAF Pension Payments (Non-Budgeted)				440,916	440,916
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				498,564	498,564
TPAF Social Security (Reimbursed - Non-Budgeted)				465,017	465,017
<b>Total State Sources</b>	<b>4,337,637</b>		<b>4,337,637</b>	<b>5,811,865</b>	<b>1,474,228</b>
Federal Sources:					
Education Jobs Grant				18,852	18,852
<b>Total Federal Sources</b>				<b>18,852</b>	<b>18,852</b>
<b>TOTAL REVENUES</b>	<b>13,314,323</b>		<b>13,314,323</b>	<b>14,866,584</b>	<b>1,552,261</b>

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 4,221,017	\$ (43,650)	\$ 4,177,367	\$ 4,174,867	\$ 2,500
Regular Programs - Home Instruction:					
Salaries of Teachers	8,400		8,400	1,103	7,297
Purchased Professional/Educational Services	15,000		15,000	14,756	244
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,500	3,585	5,085	4,726	359
Other Purchased Services (400-500 series)	24,867	3,000	27,867	27,108	759
General Supplies	124,950	62,900	187,850	152,353	35,497
Textbooks	27,250	4,000	31,250	30,863	387
Other Objects	3,350	1,500	4,850	4,756	94
Total Regular Programs - Instruction	<u>4,426,334</u>	<u>31,335</u>	<u>4,457,669</u>	<u>4,410,532</u>	<u>47,137</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	766,734	(19,115)	747,619	742,555	5,064
Other Purchased Services (400-500 Series)	400	(100)	300	295	5
General Supplies	3,000	(800)	2,200	970	1,230
Textbooks	1,000		1,000	940	60
Total Resource Room/Resource Center	<u>771,134</u>	<u>(20,015)</u>	<u>751,119</u>	<u>744,760</u>	<u>6,359</u>
Total Special Education Instruction	<u>771,134</u>	<u>(20,015)</u>	<u>751,119</u>	<u>744,760</u>	<u>6,359</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 60,070		\$ 60,070	\$ 54,008	\$ 6,062
Total Basic Skills/Remedial - Instruction	<u>60,070</u>		<u>60,070</u>	<u>54,008</u>	<u>6,062</u>
Bilingual Education - Instruction:					
Salaries of Teachers	5,000		5,000	5,000	
General Supplies	165		165	94	71
Total Bilingual Education - Instruction	<u>5,165</u>		<u>5,165</u>	<u>5,094</u>	<u>71</u>
School-Sponsored Co curricular Activities - Instruction:					
Salaries	53,640	\$ 10,700	64,340	64,271	69
Transfer to Cover Deficit	28,000		28,000	28,000	
Total School-Sponsored Co curricular Activities - Instruction	<u>81,640</u>	<u>10,700</u>	<u>92,340</u>	<u>92,271</u>	<u>69</u>
School-Sponsored Co curricular Athletics - Instruction:					
Salaries	288,912	(5,125)	283,787	283,787	
Other Purchased Services	52,000	18,000	70,000	58,035	11,965
Supplies and Materials	52,487	6,400	58,887	53,965	4,922
Other Objects	20,000	(3,000)	17,000	16,398	602
Transfer to Cover Deficit	43,250		43,250	40,000	3,250
Total School-Sponsored Co curricular Athletics - Instruction	<u>456,649</u>	<u>16,275</u>	<u>472,924</u>	<u>452,185</u>	<u>20,739</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Instruction	\$ 5,800,992	\$ 38,295	\$ 5,839,287	\$ 5,758,850	\$ 80,437
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	435,855	(178,000)	257,855	257,786	69
Tuition - State Facilities	30,750	615	31,365	31,365	
Tuition to County Vocational School District - Regular	243,890	(3,300)	240,590	240,585	5
Tuition to Private Schools for the Disabled Within State	521,372	18,620	539,992	539,268	724
Total Undistributed Expenditures - Instruction	1,231,867	(162,065)	1,069,802	1,069,004	798
Health Services:					
Salaries	97,943		97,943	93,280	4,663
Purchased Professional/Technical Services	11,000	200	11,200	11,185	15
Other Purchased Services (400-500 series)	300		300	238	62
Supplies and Materials	2,250	875	3,125	2,243	882
Other Objects	200	45	245	229	16
Total Health Services	111,693	1,120	112,813	107,175	5,638
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	6,000	12,000	18,000	17,252	748
Total Speech, OT, PT and Related Services	6,000	12,000	18,000	17,252	748

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Students - Extra Services:					
Salaries of Aides		\$ 12,600	\$ 12,600	\$ 12,585	\$ 15
Total Other Support Services - Students - Extra Services		12,600	12,600	12,585	15
Guidance:					
Salaries of Other Professional Staff	\$ 446,270	(8,800)	437,470	437,436	34
Salaries of Secretaries and Clerical Assistants	33,933		33,933	33,207	726
Other Purchased Professional/Technical Services		15,600	15,600	15,600	
Other Purchased Services (400-500 series)	6,000	(750)	5,250	1,996	3,254
Supplies and Materials	19,500	29,840	49,340	48,316	1,024
Other Objects	1,500	2,160	3,660	2,235	1,425
Total Guidance	507,203	38,050	545,253	538,790	6,463
Child Study Teams:					
Salaries of Other Professional Staff	269,955	(10,330)	259,625	258,765	860
Salaries of Secretarial and Clerical Assistants	34,971		34,971	34,027	944
Miscellaneous Purchased Services	750	(200)	550	241	309
Supplies and Materials	3,000	2,450	5,450	5,042	408
Other Objects	3,000	(500)	2,500	954	1,546
Total Child Study Teams	311,676	(8,580)	303,096	299,029	4,067
Improvement of Instructional Services:					
Salaries of Other Professional Staff	6,500		6,500	6,495	5
Total Improvement of Instructional Services	6,500		6,500	6,495	5

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Educational Media Services/School Library:</b>					
Salaries	\$ 142,094	\$ (10,800)	\$ 131,294	\$ 131,258	\$ 36
Purchased Professional/Technical Services	15,000		15,000	14,267	733
Other Purchased Services (400-500 series)	400		400	134	266
Supplies and Materials	20,500	55	20,555	19,984	571
Other Objects	50		50	50	
<b>Total Educational Media Services/School Library</b>	<b>178,044</b>	<b>(10,745)</b>	<b>167,299</b>	<b>165,693</b>	<b>1,606</b>
<b>Instructional Staff Training Services:</b>					
Purchased Professional/Educational Services	2,000	(55)	1,945	1,567	378
Other Purchased Services	6,625	100	6,725	6,658	67
<b>Total Instructional Staff Training Services</b>	<b>8,625</b>	<b>45</b>	<b>8,670</b>	<b>8,225</b>	<b>445</b>
<b>Support Services - General Administration:</b>					
Salaries	232,404	7,400	239,804	224,654	15,150
Legal Services	20,000	400	20,400	20,368	32
Audit Fees	30,000	1,800	31,800	31,775	25
Other Purchased Professional Services	2,500		2,500	2,500	
Purchased Technical Services	2,000	(200)	1,800	1,800	
Communications/Telephones	30,000	(6,855)	23,145	23,120	25
Board of Education Other Purchased Services	3,500		3,500	3,362	138
Other Purchased Services (400-500 series)	55,871	18,000	73,871	73,129	742
General Supplies	2,368		2,368	1,694	674
Miscellaneous Expenditures	2,400		2,400	2,300	100
BOE Membership Dues and Fees	5,000	5,700	10,700	10,648	52
<b>Total Support Services - General Administration</b>	<b>386,043</b>	<b>26,245</b>	<b>412,288</b>	<b>395,350</b>	<b>16,938</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	\$ 319,208	\$ (27,300)	\$ 291,908	\$ 291,869	\$ 39
Salaries of Secretarial and Clerical Assistants	101,283	(2,000)	99,283	99,219	64
Purchased Professional/Technical Services	600		600	500	100
Other Purchased Services (400-500 series)	300	(115)	185	184	1
Supplies and Materials	7,700	1,555	9,255	8,952	303
Other Objects	2,500	9,825	12,325	12,248	77
<b>Total Support Services - School Administration</b>	<b>431,591</b>	<b>(18,035)</b>	<b>413,556</b>	<b>412,972</b>	<b>584</b>
<b>Central Services:</b>					
Salaries	147,642	(2,200)	145,442	145,372	70
Purchased Technical Services	7,600		7,600	7,600	
Other Purchased Services (400-500 series)	800	(285)	515	422	93
Supplies and Materials	800	1,700	2,500	2,454	46
Miscellaneous Expenditures	1,300		1,300	1,282	18
<b>Total Central Services</b>	<b>158,142</b>	<b>(785)</b>	<b>157,357</b>	<b>157,130</b>	<b>227</b>
<b>Required Maintenance of School Facilities:</b>					
Salaries	63,484	50	63,534	63,534	
Cleaning, Repair and Maintenance Services	35,000	245,000	280,000	72,023	207,977
General Supplies	22,000	(14,400)	7,600	7,554	46
<b>Total Required Maintenance of School Facilities</b>	<b>120,484</b>	<b>230,650</b>	<b>351,134</b>	<b>143,111</b>	<b>208,023</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Custodial Services:</b>					
Salaries	\$ 422,413	\$ (43,520)	\$ 378,893	\$ 378,823	\$ 70
Purchased Professional/Technical Services	6,000	(1,000)	5,000	4,880	120
Cleaning, Repair and Maintenance Services	110,500	(8,300)	102,200	102,170	30
Other Purchased Property Services (400-500 series)	20,000	4,000	24,000	23,757	243
Insurance	33,998	4,410	38,408	38,403	5
Miscellaneous Purchased Services	1,300	300	1,600	1,500	100
General Supplies	71,000	(3,900)	67,100	67,005	95
Energy (Electricity)	280,000	(104,000)	176,000	175,838	162
Other Objects	1,200	2,500	3,700	3,322	378
<b>Total Custodial Services</b>	<b>946,411</b>	<b>(149,510)</b>	<b>796,901</b>	<b>795,698</b>	<b>1,203</b>
<b>Student Transportation Services:</b>					
Management Fee - ESC & CTSA Transportation Program	36,000	(18,500)	17,500	17,408	92
<b>Contracted Services:</b>					
Between Home and School - Vendors	686,316	500	686,816	686,683	133
Other than Between Home and School - Vendors	58,070	38,200	96,270	96,228	42
Reg. Students - ESCs & CTSA	141,870	12,000	153,870	153,843	27
Spl. Ed. Students - ESCs & CTSA	303,428	(85,500)	217,928	217,653	275
Special Education Students - Vendors	16,048	20	16,068	16,065	3
Aid In Lieu Payments - Non Public Schools	4,420		4,420	3,536	884
<b>Total Student Transportation Services</b>	<b>1,246,152</b>	<b>(53,280)</b>	<b>1,192,872</b>	<b>1,191,416</b>	<b>1,456</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Regular Programs - Instruction - Employee Benefits:</b>					
Social Security Contributions	\$ 12,521	\$ 21,700	\$ 34,221	\$ 25,333	\$ 8,888
Unemployment Compensation	12,729	(1,700)	11,029	10,350	679
Workmen's Compensation	57,405	(890)	56,515	51,951	4,564
Health Benefits	1,090,721	(211,415)	879,306	814,533	64,773
Tuition Reimbursement	25,700		25,700	13,655	12,045
Other Employee Benefits	48,500		48,500	3,200	45,300
<b>Total Regular Programs - Instruction</b>	<b>1,247,576</b>	<b>(192,305)</b>	<b>1,055,271</b>	<b>919,022</b>	<b>136,249</b>
<b>Special Programs - Instruction - Employee Benefits:</b>					
Social Security Contributions		8,890	8,890	3,448	5,442
Unemployment Compensation	2,121	500	2,621	2,135	486
Workmen's Compensation	9,395	350	9,745	9,741	4
Health Benefits	220,196	(23,800)	196,396	192,942	3,454
<b>Total Special Programs - Instruction</b>	<b>231,712</b>	<b>(14,060)</b>	<b>217,652</b>	<b>208,266</b>	<b>9,386</b>
<b>Other Instructional Programs - Instruction - Employee Benefits:</b>					
Social Security Contributions	20,715	215	20,930	20,925	5
Unemployment Compensation	466	725	1,191	979	212
Workmen's Compensation	1,045	40	1,085	1,082	3
Health Benefits	7,732	23,800	31,532	23,193	8,339
<b>Total Other Instructional Programs - Instruction</b>	<b>29,958</b>	<b>24,780</b>	<b>54,738</b>	<b>46,179</b>	<b>8,559</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Health Services - Employee Benefits:</b>					
Social Security Contributions	\$ 30		\$ 30		\$ 30
Unemployment Compensation	213	\$ 80	293	\$ 216	77
Workmen's Compensation	1,045	40	1,085	1,082	3
Health Benefits	13,758		13,758	13,553	205
<b>Total Health Services</b>	<b>15,046</b>	<b>120</b>	<b>15,166</b>	<b>14,851</b>	<b>315</b>
<b>Other Support Services - Students - Extraordinary Services - Employee Benefits:</b>					
Social Security Contributions	1,686		1,686	992	694
Unemployment Compensation	155		155	85	70
<b>Total Other Support Services - Students - Extraordinary Services</b>	<b>1,841</b>		<b>1,841</b>	<b>1,077</b>	<b>764</b>
<b>Guidance - Employee Benefits:</b>					
Social Security Contributions	3,006	2,725	5,731	5,130	601
Other Retirement Contributions - PERS	6,667		6,667	5,871	796
Unemployment Compensation	1,062		1,062	1,049	13
Workmen's Compensation	5,220	200	5,420	5,412	8
Health Benefits	108,529	15,000	123,529	119,349	4,180
<b>Total Guidance</b>	<b>124,484</b>	<b>17,925</b>	<b>142,409</b>	<b>136,811</b>	<b>5,598</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Child Study Teams - Employee Benefits:					
Social Security Contributions	\$ 2,626	\$ 2,325	\$ 4,951	\$ 4,397	\$ 554
Other Retirement Contributions -PERS	6,667		6,667	5,871	796
Unemployment Compensation	849	5	854	851	3
Workmen's Compensation	4,176	155	4,331	4,329	2
Health Benefits	74,257	8,000	82,257	80,387	1,870
Total Child Study Teams	88,575	10,485	99,060	95,835	3,225
Improvement of Instruction Services - Employee Benefits:					
Social Security Contributions	500	9	509	509	
Unemployment Compensation	25	(9)	16	15	1
Total Improvement of Instruction Services	525		525	524	1
Educational Media Services - School Library - Employee Benefits:					
Social Security Contributions	3,095		3,095	2,974	121
Other Retirement Contributions - PERS	6,667		6,667	5,871	796
Unemployment Compensation	425		425	360	65
Workmen's Compensation	2,088	80	2,168	2,165	3
Health Benefits	42,519	(3,025)	39,494	37,936	1,558
Total Educational Media Services - School Library	54,794	(2,945)	51,849	49,306	2,543

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Support Services - General Administration - Employee Benefits:</b>					
Social Security Contributions	\$ 6,749	\$ (10)	\$ 6,739	\$ 6,484	\$ 255
Other Retirement Contributions - PERS	6,667	(700)	5,967	5,871	96
Unemployment Compensation	473	10	483	481	2
Workmen's Compensation	2,088	80	2,168	2,165	3
Health Benefits	42,991	1,200	44,191	44,110	81
<b>Total Support Services - General Administration</b>	<b>58,968</b>	<b>580</b>	<b>59,548</b>	<b>59,111</b>	<b>437</b>
<b>Support Services - School Administration - Employee Benefits:</b>					
Social Security Contributions	7,610	2,300	9,910	9,876	34
Other Retirement Contributions - PERS	13,334	(1,500)	11,834	11,742	92
Unemployment Compensation	850	300	1,150	1,083	67
Workmen's Compensation	4,176	155	4,331	4,329	2
Health Benefits	90,498	3,000	93,498	93,168	330
Tuition Reimbursement		3,000	3,000		3,000
<b>Total Support Services - School Administration</b>	<b>116,468</b>	<b>7,255</b>	<b>123,723</b>	<b>120,198</b>	<b>3,525</b>
<b>Support Services - Central Services - Employee Benefits:</b>					
Social Security Contributions	3,815	200	4,015	4,006	9
Other Retirement Contributions - PERS	6,667		6,667	5,871	796
Unemployment Compensation	425	100	525	467	58
Workmen's Compensation	2,088	80	2,168	2,165	3
Health Benefits	22,054	(300)	21,754	21,728	26
<b>Total Support Services - Central Services</b>	<b>35,049</b>	<b>80</b>	<b>35,129</b>	<b>34,237</b>	<b>892</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Custodial Services - Employee Benefits:</b>					
Social Security Contributions	\$ 37,774	\$ (3,400)	\$ 34,374	\$ 34,356	\$ 18
Other Retirement Contributions - PERS	53,336	(6,300)	47,036	46,966	70
Unemployment Compensation	1,697	370	2,067	2,059	8
Workmen's Compensation	8,350	310	8,660	8,658	2
Health Benefits	191,462	(3,200)	188,262	188,205	57
<b>Total Custodial Services</b>	<b>292,619</b>	<b>(12,220)</b>	<b>280,399</b>	<b>280,244</b>	<b>155</b>
<b>On-Behalf Contributions:</b>					
On-Behalf TPAF Pension Payments (Non-Budgeted)				440,916	(440,916)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				498,564	(498,564)
TPAF Social Security (Reimbursed - Non-Budgeted)				465,017	(465,017)
<b>Total On-Behalf Contributions</b>				<b>1,404,497</b>	<b>(1,404,497)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>2,297,615</b>	<b>(160,305)</b>	<b>2,137,310</b>	<b>3,370,158</b>	<b>(1,232,848)</b>
<b>Total Undistributed Expenses</b>	<b>7,948,046</b>	<b>(242,595)</b>	<b>7,705,451</b>	<b>8,690,083</b>	<b>(984,632)</b>
<b>TOTAL CURRENT EXPENSE</b>	<b>13,749,038</b>	<b>(204,300)</b>	<b>13,544,738</b>	<b>14,448,933</b>	<b>(904,195)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Grades 9-12		70,500	70,500		70,500
School - Sponsored and Other Instructional Program	2,000	40,800	42,800	23,788	19,012
Undistributed Expenditures-Support Services-Students-Regular	20,000	(20,000)			
Custodial Services	3,500	113,000	116,500	56,960	59,540
<b>Total Equipment</b>	<b>25,500</b>	<b>204,300</b>	<b>229,800</b>	<b>80,748</b>	<b>149,052</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisition and Construction Services:					
Other Objects (Debt Service Assessment)	\$ 25,063		\$ 25,063	\$ 25,063	
Total Facilities Acquisition and Construction Services	<u>25,063</u>		<u>25,063</u>	<u>25,063</u>	
TOTAL CAPITAL OUTLAY	<u>50,563</u>	<u>\$ 204,300</u>	<u>254,863</u>	<u>105,811</u>	<u>\$ 149,052</u>
TOTAL EXPENDITURES	<u>13,799,601</u>		<u>13,799,601</u>	<u>14,554,744</u>	<u>(755,143)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(485,278)</u>		<u>(485,278)</u>	<u>311,840</u>	<u>797,118</u>
Fund Balance, July 1	<u>998,826</u>		<u>998,826</u>	<u>998,826</u>	
Fund Balance, June 30	<u>\$ 513,548</u>	<u>\$ -0-</u>	<u>\$ 513,548</u>	<u>\$ 1,310,666</u>	<u>\$ 797,118</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 100,744	
Excess Surplus				87,688	
Excess Surplus - For Subsequent Year's Expenditures				157,637	
Assigned to:					
Year-end Encumbrances				400,352	
For Subsequent Year's Expenditures				231,509	
Unassigned				<u>332,736</u>	
				<u>1,310,666</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP basis				(428,129)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 882,537</u>	

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 175,168	\$ 44,111	\$ 219,279	\$ 218,966	\$ (313)
Total Revenues	175,168	44,111	219,279	218,966	(313)
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	39,852	9,831	49,683	49,683	
Tuition	106,230	38,428	144,658	144,658	
Purchased Professional and Technical Services		190	190	177	13
General Supplies	21,354	(7,319)	14,035	14,035	
Total Instruction	167,436	41,130	208,566	208,553	13
Support Services					
Personal Service - Employee Benefits	7,732	2,206	9,938	9,938	
Other Purchased Services		775	775	475	300
Total Support Services	7,732	2,981	10,713	10,413	300
Total Expenditures	175,168	44,111	219,279	218,966	313
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 14,866,584	\$ 218,966
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	455,391	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(428,129)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 14,893,846</u>	 <u>\$ 218,966</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	 <u>\$ 14,554,744</u>	 <u>\$ 218,966</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 14,554,744</u>	 <u>\$ 218,966</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m). 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 not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>No Child Left Behind</u>		<u>IDEA Part - B Basic</u>	<u>Perkins Vocational Education</u>	<u>Total</u>
	<u>Title I</u>	<u>Title IIA</u>			
<b>REVENUE:</b>					
Federal Sources	\$ 46,059	\$ 13,562	\$ 144,658	\$ 14,687	\$ 218,966
<b>Total Revenue</b>	<u>46,059</u>	<u>13,562</u>	<u>144,658</u>	<u>14,687</u>	<u>218,966</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	38,382	11,301			49,683
Purchased Professional/Technical Services				177	177
Tuition			144,658		144,658
General Supplies				14,035	14,035
<b>Total Instruction</b>	<u>38,382</u>	<u>11,301</u>	<u>144,658</u>	<u>14,212</u>	<u>208,553</u>
<b>Support Services:</b>					
Personal Service - Employee Benefits	7,677	2,261			9,938
Other Purchased Services				475	475
<b>Total Support Services</b>	<u>7,677</u>	<u>2,261</u>		<u>475</u>	<u>10,413</u>
<b>Total Expenditures</b>	<u>\$ 46,059</u>	<u>\$ 13,562</u>	<u>\$ 144,658</u>	<u>\$ 14,687</u>	<u>\$ 218,966</u>

Exhibit E-2

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

CAPITAL PROJECTS FUND

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE- BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenue and Other Financing Sources:	
Interest Income	\$ 969
Total Revenue and Other Financing Sources	<u>969</u>
Expenditures:	
Facilities Acquisition and Construction Services	53,767
Miscellaneous Costs	<u>112,342</u>
Total Expenditures	<u>166,109</u>
Other Financing Uses:	
Transfer to Debt Service Fund:	
Close out of Projects	1,020,573
Interest Earned	<u>969</u>
Total Expenditures and Other Financing Uses	<u>1,021,542</u>
Excess/(Deficit) of Revenue and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	(1,186,682)
Fund Balance - Beginning of Year	<u>1,617,063</u>
Fund Balance - End of Year	<u>\$ 430,381</u>
Reconciliation of Fund Balance:	
Fund Balance - Budgetary Basis	<u>\$ 430,381</u>
Fund Balance - GAAP Basis	<u>\$ 430,381</u>

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ADDITIONS AND RENOVATIONS TO WALKKILL VALLEY REGIONAL HIGH SCHOOL - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 2,896,597		\$ 2,896,597	\$ 2,922,597
Bond Proceeds and Transfers	4,753,000		4,753,000	4,727,000
Miscellaneous	3		3	3
<b>Total Revenue and Other Financing Sources</b>	<b>7,649,600</b>		<b>7,649,600</b>	<b>7,649,600</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	789,362		789,362	789,362
Construction Services	4,521,740		4,521,740	6,756,381
Miscellaneous Costs	103,857		103,857	103,857
Transfer to Debt Service Fund	1,132,279	\$ 1,020,573	2,152,852	
<b>Total Expenditures and Other Financing Uses</b>	<b>6,547,238</b>	<b>1,020,573</b>	<b>7,567,811</b>	<b>7,649,600</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources</b>				
Over/(Under) Expenditures and Other Financing Uses	\$ 1,102,362	\$ (1,020,573)	\$ 81,789	\$ -0-

**Additional Project Information:**

Project Number:	20-2003,20-2004,20-2005
Renovations Various Schools	
Grant Date	9/25/2001
Bonds Authorized Date	12/19/2002
Bonds Authorized	\$ 4,753,000
Bonds Issued	4,753,000
Original Authorized Cost	7,649,597
Revised Authorized Cost	7,649,597
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100.00%
Original Target Completion Date	9/1/2004
Revised Target Completion Date	5/1/2005

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
SOLAR PHOTOVOLTAIC PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenue and Other Financing Sources:</b>				
Bond Proceeds and Transfers	\$ 3,300,000		\$ 3,300,000	\$ 3,300,000
<b>Total Revenue and Other Financing Sources</b>	<u>3,300,000</u>		<u>3,300,000</u>	<u>3,300,000</u>
<b>Other Financing Uses:</b>				
Purchased Professional and Technical Services	379,861		379,861	500,000
Construction Services	2,386,651	\$ 53,767	2,440,418	2,415,000
Miscellaneous Costs	18,787	112,342	131,129	385,000
<b>Total Expenditures and Other Financing Uses</b>	<u>2,785,299</u>	<u>166,109</u>	<u>2,951,408</u>	<u>3,300,000</u>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses</b>	<u>\$ 514,701</u>	<u>\$ (166,109)</u>	<u>\$ 348,592</u>	<u>\$ -0-</u>

**Additional Project Information:**

Bonds Authorized Date		4/27/2011
Bonds Authorized	\$	3,300,000
Bonds Issued		3,300,000
Original Authorized Cost		3,895,000
Revised Authorized Cost		3,300,000

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	1/13/2012
Revised Target Completion Date	12/31/2012

PROPRIETARY FUNDS

Exhibit G-1

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2013

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 28,654
Accounts Receivable:	
State	133
Federal	3,447
Interfund Receivable	6,283
Inventories	5,937
	<hr/>
Total Current Assets	44,454
	<hr/>
Non-Current Assets:	
Capital Assets	70,085
Less: Accumulated Depreciation	(56,734)
	<hr/>
Total Non-Current Assets	13,351
	<hr/>
Total Assets	57,805
	<hr/>

LIABILITIES:

Current Liabilities:	
Accounts Payable	12,867
Unearned Revenue	1,372
	<hr/>
Total Current Liabilities	14,239
	<hr/>

NET POSITION:

Net Investment in Capital Assets	13,351
Unrestricted	30,215
	<hr/>
Total Net Position	\$ 43,566
	<hr/> <hr/>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 74,865
Daily Sales - Non Reimbursable Programs	78,740
	<hr/>
Total Operating Revenue	153,605
	<hr/>
Operating Expenses:	
Cost of Sales	139,063
Salaries & Payroll Taxes	79,340
Employee Benefits	13,116
Management Fee	8,903
Professional and Technical Services	1,261
Depreciation Expense	1,524
Other Miscellaneous Expenses	1,821
	<hr/>
Total Operating Expenses	245,028
	<hr/>
Operating (Loss)	(91,423)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	1,947
Federal Sources:	
National School Lunch Program	49,378
Food Distribution Program	14,635
Local Sources:	
Interest Income	152
	<hr/>
Total Non-Operating Revenue	66,112
	<hr/>
Change in Net Position	(25,311)
Net Position - Beginning of Year	68,877
	<hr/>
Net Position - End of Year	\$ 43,566
	<hr/> <hr/>

Exhibit G-3

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 153,605
Payments to Employees	(79,340)
Payments for Benefits	(13,116)
Payments to Food Service Vendor	(8,903)
Payments to Suppliers	(106,598)
	<hr/>
Net Cash Used for Operating Activities	(54,352)
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	48,509
	<hr/>
Net Cash Provided by Noncapital Financing Activities	48,509
	<hr/>
Cash Flows from Investing Activities:	
Investment Income	152
	<hr/>
Net Cash Flows Provided by Investing Activities:	152
	<hr/>
Net Decrease in Cash and Cash Equivalents	(5,691)
	<hr/>
Cash and Cash Equivalents, July 1	34,345
	<hr/>
Cash and Cash Equivalents, June 30	\$ 28,654
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (91,423)
Adjustment to Reconcile Operating Loss to Cash used for Operating Activities:	
Federal Food Distribution Program	14,635
Depreciation	1,524
Changes in Assets and Liabilities:	
Decrease in Inventory	3,470
Decrease in Interfund Receivable	5,430
Increase in Accounts Payable	12,867
(Decrease) in Unearned Revenue	(855)
	<hr/>
Net Cash Used for Operating Activities	\$ (54,352)
	<hr/> <hr/>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$13,780 and utilized commodities valued at \$14,635.

FIDUCIARY FUNDS

Exhibit H-1

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2013

	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
<b><u>ASSETS:</u></b>					
Cash and Cash Equivalents	\$ 20,313	\$ 108,592	\$ 51,920	\$ 7,797	\$ 188,622
Total Assets	<u>20,313</u>	<u>108,592</u>	<u>51,920</u>	<u>7,797</u>	<u>188,622</u>
<b><u>LIABILITIES:</u></b>					
Net Salaries and Wages	1,484				1,484
Payroll Deductions and Withholdings	18,829				18,829
Due to Student Groups		108,287			108,287
Accounts Payable		305			305
Total Liabilities	<u>20,313</u>	<u>108,592</u>			<u>128,905</u>
<b><u>NET POSITION:</u></b>					
Held in Trust for Unemployment Claims				7,797	7,797
Restricted For Scholarships			51,920		51,920
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 51,920</u>	<u>\$ 7,797</u>	<u>\$ 59,717</u>

Exhibit H-2

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Trust	Scholarship Trust	Totals
<b>ADDITIONS:</b>			
Contributions:			
Other		\$ 6,265	\$ 6,265
Total Contributions		6,265	6,265
Investment Earnings:			
Interest	\$ 8	11	19
Net Investment Earnings	8	11	19
Total Additions	8	6,276	6,284
<b>DEDUCTIONS:</b>			
Scholarships Awarded		5,100	5,100
Total Deductions		5,100	5,100
Change in Net Position	8	1,176	1,184
Net Position - Beginning of the Year	7,789	50,744	58,533
Net Position - End of the Year	\$ 7,797	\$ 51,920	\$ 59,717

Exhibit H-3

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 136,914	\$ 382,172	\$ 410,494	\$ 108,592
Total Assets	<u>\$ 136,914</u>	<u>\$ 382,172</u>	<u>\$ 410,494</u>	<u>\$ 108,592</u>
 <b><u>LIABILITIES:</u></b>				
Liabilities:				
Due to Student Groups	\$ 136,914	\$ 381,867	\$ 410,494	\$ 108,287
Accounts Payable		305		305
Total Liabilities	<u>\$ 136,914</u>	<u>\$ 382,172</u>	<u>\$ 410,494</u>	<u>\$ 108,592</u>

Exhibit H-4

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Cash</u> <u>Additions</u>	<u>Cash</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
High School:				
Athletic	\$ 2,017	\$ 72,895	\$ 70,631	\$ 4,281
Activity	<u>134,897</u>	<u>309,277</u>	<u>339,863</u>	<u>104,311</u>
Total	<u>\$ 136,914</u>	<u>\$ 382,172</u>	<u>\$ 410,494</u>	<u>\$ 108,592</u>

Exhibit H-5

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 1,444	\$ 8,520,806	\$ 8,501,937	\$ 20,313
Total Assets	<u>\$ 1,444</u>	<u>\$ 8,520,806</u>	<u>\$ 8,501,937</u>	<u>\$ 20,313</u>
 <b><u>LIABILITIES:</u></b>				
Net Salaries and Wages	\$ 1,419	\$ 4,808,603	\$ 4,808,538	\$ 1,484
Payroll Deductions and Withholdings	<u>25</u>	<u>3,712,203</u>	<u>3,693,399</u>	<u>18,829</u>
Total Liabilities	<u>\$ 1,444</u>	<u>\$ 8,520,806</u>	<u>\$ 8,501,937</u>	<u>\$ 20,313</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance June 30, 2012	Issued	Matured	Balance June 30, 2013
			Outstanding June 30, 2013						
			Date	Amount					
Refunding Issue - 2008	1/22/2008	\$ 3,075,000	7/15/2013	\$ 235,000	4.000%	\$ 2,350,000		\$ 235,000	\$ 2,115,000
			7/15/2014	235,000	4.000%				
			7/15/2015	225,000	4.750%				
			7/15/2016	230,000	5.000%				
			7/15/2017	235,000	5.000%				
			7/15/2018	235,000	4.000%				
			7/15/2019	235,000	4.250%				
			7/15/2020	230,000	4.250%				
			7/15/2021	255,000	4.250%				
Solar Panel Purchase and Installation	11/29/2011	3,300,000	9/1/2013	85,000	2.000%	3,300,000		1,000,000	\$ 2,300,000
			9/1/2014	85,000	2.000%				
			9/1/2015	90,000	2.000%				
			9/1/2016	95,000	2.000%				
			9/1/2017	100,000	2.000%				
			9/1/2018	105,000	2.000%				
			9/1/2019	105,000	2.500%				
			9/1/2020	110,000	3.000%				
			9/1/2021	115,000	3.000%				
			9/1/2022	120,000	3.000%				
			9/1/2023	125,000	3.500%				
			9/1/2024	130,000	3.500%				
			9/1/2025	135,000	3.500%				
			9/1/2026	140,000	3.500%				
			9/1/2027	145,000	3.500%				
			9/1/2028	150,000	3.500%				
9/1/2029	155,000	3.500%							
9/1/2030	160,000	3.750%							
9/1/2031	150,000	3.750%							
						<u>\$ 5,650,000</u>	<u>\$ -</u>	<u>\$ 1,235,000</u>	<u>\$ 4,415,000</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
YEAR ENDED JUNE 30, 2013

NOT APPLICABLE

WALLKILL VALLEY REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 399,094		\$ 399,094	\$ 399,094	
Total Revenue	399,094		399,094	399,094	
EXPENDITURES:					
Regular Debt Service:					
Interest	200,564		200,564	200,563	\$ 1
Redemption of Principal	1,235,000		1,235,000	1,235,000	
Total Regular Debt Service	1,435,564		1,435,564	1,435,563	1
Total Expenditures	1,435,564		1,435,564	1,435,563	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,036,470)		(1,036,470)	(1,036,469)	(1)
Other Financing Sources:					
Operating Transfer In - Capital Projects Fund Interest				969	969
Operating Transfer In - Capital Projects Fund	1,000,000		1,000,000	1,020,573	20,573
Total Other Financing Sources	1,000,000		1,000,000	1,021,542	21,542
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(36,470)		(36,470)	(14,927)	21,541
Fund Balance, July 1	15,897		15,897	15,897	\$ 13,866
Fund Balance/(Deficit) June 30	\$ (20,573)	\$ -0-	\$ (20,573)	\$ 970	\$ 35,407
			Restricted Fund Balance	\$ 970	

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

This part of the School'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 School's overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<p><b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p><b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.</p>	J-6 thru J-9
<p><b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p><b>Demographic and Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p><b>Operating Information</b></p> <p>These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.</p>	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. The School implemented GASB Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>									
Net Investment in Capital Assets	\$ 5,517,855	\$ 6,080,291	\$ 6,547,270	\$ 7,118,731	\$ 6,483,309	\$ 6,385,952	\$ 6,314,749	\$ 5,869,863	\$ 7,020,032
Restricted	3,754,603	4,029,822	4,338,962	4,193,009	3,682,052	2,967,475	2,449,779	2,026,228	777,420
Unrestricted/(Deficit)	(825,907)	(343,226)	(752,952)	(603,019)	(807,933)	(902,565)	(785,420)	(704,031)	(203,228)
<b>Total Governmental Activities Net Position</b>	<u>\$ 8,446,551</u>	<u>\$ 9,766,887</u>	<u>\$ 10,133,280</u>	<u>\$ 10,708,721</u>	<u>\$ 9,357,428</u>	<u>\$ 8,450,862</u>	<u>\$ 7,979,108</u>	<u>\$ 7,192,060</u>	<u>\$ 7,594,224</u>
<b>Business-Type Activities</b>									
Net Investment in Capital Assets				\$ 17,237	\$ 19,760	\$ 18,079	\$ 16,399	\$ 14,875	\$ 13,351
Unrestricted	\$ 67,353	\$ 99,039	\$ 135,916	130,573	111,901	114,058	110,633	54,002	30,215
<b>Total Business-Type Activities Net Position</b>	<u>\$ 67,353</u>	<u>\$ 99,039</u>	<u>\$ 135,916</u>	<u>\$ 147,810</u>	<u>\$ 131,661</u>	<u>\$ 132,137</u>	<u>\$ 127,032</u>	<u>\$ 68,877</u>	<u>\$ 43,566</u>
<b>District-Wide</b>									
Net Investment in Capital Assets	\$ 5,517,855	\$ 6,080,291	\$ 6,567,327	\$ 7,135,968	\$ 6,503,069	\$ 6,404,031	\$ 6,331,148	\$ 5,884,738	\$ 7,033,383
Restricted	3,754,603	4,029,822	4,338,962	4,193,009	3,682,052	2,967,475	2,449,779	2,026,228	777,420
Unrestricted/(Deficit)	(758,554)	(244,187)	(637,093)	(472,446)	(696,032)	(788,507)	(674,787)	(650,029)	(173,013)
<b>Total District Net Position</b>	<u>\$ 8,513,904</u>	<u>\$ 9,865,926</u>	<u>\$ 10,269,196</u>	<u>\$ 10,856,531</u>	<u>\$ 9,489,089</u>	<u>\$ 8,582,999</u>	<u>\$ 8,106,140</u>	<u>\$ 7,260,937</u>	<u>\$ 7,637,790</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>									
<b>Governmental activities</b>									
<b>Instruction</b>									
Regular	\$ 5,920,325	\$ 6,135,339	\$ 6,708,909	\$ 6,586,767	\$ 6,815,264	\$ 7,130,288	\$ 6,923,097	\$ 6,839,274	\$ 6,195,588
Special Education	529,110	563,485	577,462	716,585	721,638	805,127	873,085	992,539	1,091,328
Other Special Education	190,451	204,790	85,262	97,952	94,363	70,524	58,903	63,436	70,092
Other Instruction	521,963	612,337	811,812	813,180	838,051	782,306	691,589	667,686	655,462
<b>Support Services:</b>									
Tuition	720,618	642,261	808,997	869,014	994,735	806,107	977,364	1,465,955	1,213,662
Student & Instruction Related Services	1,405,039	1,482,942	1,546,723	1,525,341	1,667,932	1,482,145	1,463,761	1,538,200	1,680,828
General Administrative Services	408,663	442,597	489,180	463,953	449,126	449,174	469,436	503,179	526,928
School Administrative Services	454,930	432,695	489,794	527,512	512,550	534,469	570,563	603,080	625,314
Central Services	167,237	173,975	185,716	188,586	182,213	190,028	199,545	203,126	218,443
Plant Operations And Maintenance	1,158,330	1,276,873	1,415,203	1,402,856	1,417,863	1,451,067	1,429,113	1,354,625	1,407,388
Pupil Transportation	1,103,401	1,167,932	1,256,640	1,289,909	1,342,996	1,219,697	1,186,503	1,290,220	1,191,416
Interest On Long-Term Debt	298,053	250,543	214,501	163,511	115,469	120,907	106,555	144,926	173,493
Unallocated	355,972	263,264	321,567	321,567	39,686	7,563	6,368	5,923	35,706
Capital Outlay						11,659	31,403	18,262	25,063
<b>Total Governmental Activities Expenses</b>	<b>13,234,092</b>	<b>13,649,033</b>	<b>14,911,766</b>	<b>14,966,733</b>	<b>15,191,886</b>	<b>15,061,061</b>	<b>14,987,285</b>	<b>15,690,431</b>	<b>15,110,711</b>
<b>Business-type activities:</b>									
Food Service	226,303	251,360	260,550	275,843	301,441	276,350	281,057	310,939	245,028
<b>Total Business-Type Activities Expense</b>	<b>226,303</b>	<b>251,360</b>	<b>260,550</b>	<b>275,843</b>	<b>301,441</b>	<b>276,350</b>	<b>281,057</b>	<b>310,939</b>	<b>245,028</b>
<b>Total District Expenses</b>	<b>\$ 13,460,395</b>	<b>\$ 13,900,393</b>	<b>\$ 15,172,316</b>	<b>\$ 15,242,576</b>	<b>\$ 15,493,327</b>	<b>\$ 15,337,411</b>	<b>\$ 15,268,342</b>	<b>\$ 16,001,370</b>	<b>\$ 15,355,739</b>
<b>Program Revenues</b>									
<b>Governmental Activities:</b>									
Operating Grants and Contributions	\$ 5,832,078	\$ 5,869,589	\$ 6,313,754	\$ 6,510,453	\$ 5,954,780	\$ 5,265,169	\$ 5,812,475	\$ 6,050,943	\$ 6,081,545
<b>Total Governmental Activities Program Revenues</b>	<b>5,832,078</b>	<b>5,869,589</b>	<b>6,313,754</b>	<b>6,510,453</b>	<b>5,954,780</b>	<b>5,265,169</b>	<b>5,812,475</b>	<b>6,050,943</b>	<b>6,081,545</b>

**WALL KILL VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**CHANGES IN NET POSITION, LAST NINE FISCAL YEARS**

**UNAUDITED**

*(accrual basis of accounting)*

(Continued)

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-Type Activities:</b>									
Charges for services									
Food Service	\$ 211,739	\$ 244,585	\$ 250,142	\$ 247,504	\$ 236,878	\$ 223,240	\$ 215,936	\$ 187,788	\$ 153,605
Operating Grants and Contributions	33,977	37,543	37,491	34,770	40,705	51,847	59,066	64,357	65,960
<b>Total Business Type Activities Program Revenues</b>	<b>245,716</b>	<b>282,128</b>	<b>287,633</b>	<b>282,274</b>	<b>277,583</b>	<b>275,087</b>	<b>275,002</b>	<b>252,145</b>	<b>219,565</b>
<b>Total District Program Revenues</b>	<b>\$ 6,077,794</b>	<b>\$ 6,151,717</b>	<b>\$ 6,601,387</b>	<b>\$ 6,792,727</b>	<b>\$ 6,232,363</b>	<b>\$ 5,540,256</b>	<b>\$ 6,087,477</b>	<b>\$ 6,303,088</b>	<b>\$ 6,301,110</b>
<b>Net (Expense)/Revenue</b>									
Governmental Activities	\$ (7,402,014)	\$ (7,779,444)	\$ (8,598,012)	\$ (8,456,280)	\$ (9,237,106)	\$ (9,795,892)	\$ (9,174,810)	\$ (9,639,488)	\$ (9,029,166)
Business-Type Activities	19,413	30,768	27,083	6,431	(23,858)	(1,263)	(6,055)	(58,794)	(25,463)
<b>Total District-Wide Net Expense</b>	<b>\$ (7,382,601)</b>	<b>\$ (7,748,676)</b>	<b>\$ (8,570,929)</b>	<b>\$ (8,449,849)</b>	<b>\$ (9,260,964)</b>	<b>\$ (9,797,155)</b>	<b>\$ (9,180,865)</b>	<b>\$ (9,698,282)</b>	<b>\$ (9,054,629)</b>
<b>General Revenues and Other Changes in Net Position</b>									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 6,726,084	\$ 7,385,363	\$ 7,544,809	\$ 7,999,486	\$ 8,285,245	\$ 8,249,911	\$ 8,579,907	\$ 8,765,642	\$ 8,966,082
Taxes Levied for Debt Service	770,038	730,467	682,671	615,727	19,893				399,094
Debt Service Type II Aid	312,837	290,921	266,803	243,243					
Federal and State Aid not Restricted						546,750			
Investment Earnings	265	347	8,575	1,705	13	9	4	3,582	1,314
Miscellaneous Income	131,727	698,782	318,256	171,560	160,079	131,456	123,145	83,216	64,840
Transfers	(32,000)								
Adjustment to Fixed Asset Report		(6,100)	143,291		(579,417)	(38,800)			
<b>Total Governmental Activities</b>	<b>7,908,951</b>	<b>9,099,780</b>	<b>8,964,405</b>	<b>9,031,721</b>	<b>7,885,813</b>	<b>8,889,326</b>	<b>8,703,056</b>	<b>8,852,440</b>	<b>9,431,330</b>
<b>Business-Type Activities:</b>									
Miscellaneous Income	374	918	2,837	5,463	3,506	1,739	950	638	152
Adjustment to Fixed Asset Report			6,957		4,203				
<b>Total Business-Type Activities</b>	<b>374</b>	<b>918</b>	<b>9,794</b>	<b>5,463</b>	<b>7,709</b>	<b>1,739</b>	<b>950</b>	<b>638</b>	<b>152</b>
<b>Total District-Wide</b>	<b>\$ 7,909,325</b>	<b>\$ 9,100,698</b>	<b>\$ 8,974,199</b>	<b>\$ 9,037,184</b>	<b>\$ 7,893,522</b>	<b>\$ 8,891,065</b>	<b>\$ 8,704,006</b>	<b>\$ 8,853,078</b>	<b>\$ 9,431,482</b>

WALL KILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*  
(Continued)

	Fiscal Year Ending June 30.								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Change in Net Position									
Governmental Activities	\$ 506,937	\$ 1,320,336	\$ 366,393	\$ 575,441	\$ (1,351,293)	\$ (906,566)	\$ (471,754)	\$ (787,048)	\$ 402,164
Business-Type Activities	19,787	31,686	36,877	11,894	(16,149)	476	(5,105)	(58,156)	(25,311)
Total District	<u>\$ 526,724</u>	<u>\$ 1,352,022</u>	<u>\$ 403,270</u>	<u>\$ 587,335</u>	<u>\$ (1,367,442)</u>	<u>\$ (906,090)</u>	<u>\$ (476,859)</u>	<u>\$ (845,204)</u>	<u>\$ 376,853</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>									
Reserved	\$ 821,383	\$ 1,682,085	\$ 1,924,072	\$ 1,773,332	\$ 1,586,854	\$ 1,141,451			
Unreserved/(Deficit)	671,458	504,760	65,285	95,870	(47,485)	(107,126)			
Restricted							\$ 751,708	\$ 393,268	\$ 346,069
Assigned							277,342	150,167	536,468
<b>Total General Fund</b>	<u>\$ 1,492,841</u>	<u>\$ 2,186,845</u>	<u>\$ 1,989,357</u>	<u>\$ 1,869,202</u>	<u>\$ 1,539,369</u>	<u>\$ 1,034,325</u>	<u>\$ 1,029,050</u>	<u>\$ 543,435</u>	<u>\$ 882,537</u>
<b>All Other Governmental Funds</b>									
Unreserved, Reported In:									
Capital Projects Fund	\$ 2,272,012	\$ 2,271,572	\$ 2,255,622	\$ 2,234,641	\$ 1,989,641	\$ 1,791,585			
Debt Service Fund	35,519	76,165	159,268	185,036	105,557	34,439			
Restricted							\$ 1,438,160	\$ 1,632,960	\$ 431,351
<b>Total All Other Governmental Funds</b>	<u>\$ 2,307,531</u>	<u>\$ 2,347,737</u>	<u>\$ 2,414,890</u>	<u>\$ 2,419,677</u>	<u>\$ 2,095,198</u>	<u>\$ 1,826,024</u>	<u>\$ 1,438,160</u>	<u>\$ 1,632,960</u>	<u>\$ 431,351</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>									
Tax Levy	\$ 7,496,122	\$ 8,115,830	\$ 8,227,480	\$ 8,615,213	\$ 8,305,138	\$ 8,249,911	\$ 8,579,907	\$ 8,765,642	\$ 9,365,176
Tuition Charges	16,404	20,650	33,420	3,800		4,000	4,400	3,600	4,600
Interest Earnings	23,280	53,497	114,693	154,688	73,090	55,138	6,728	3,582	1,314
Unrestricted Miscellaneous Revenue	92,309	624,982	178,718	14,777	87,001	72,327	112,021	79,616	64,840
State Sources	5,957,426	5,984,149	6,389,637	6,528,431	5,734,667	4,834,181	5,471,948	5,769,699	5,839,127
Federal Sources	187,488	176,361	190,920	225,266	220,113	977,738	340,527	281,244	237,818
<b>Total Revenue</b>	<b>13,773,029</b>	<b>14,975,469</b>	<b>15,134,868</b>	<b>15,542,175</b>	<b>14,420,009</b>	<b>14,193,295</b>	<b>14,515,531</b>	<b>14,903,383</b>	<b>15,512,875</b>
<b>Expenditures</b>									
<b>Instruction</b>									
Regular Instruction	4,509,334	4,615,121	4,802,691	4,770,907	4,961,474	5,062,644	4,819,912	4,760,662	4,484,840
Special Education Instruction	383,921	406,481	409,921	507,407	535,987	608,365	633,705	711,225	744,760
Other Special Instruction	54,662	58,369	59,752	68,668	60,902	63,070	52,613	55,677	59,102
Other Instruction	516,199	607,403	619,711	615,338	665,464	658,555	549,371	580,360	544,456
<b>Support Services:</b>									
Tuition	720,618	642,261	808,997	869,014	994,735	806,107	977,364	1,465,955	1,213,662
Student & Instruction Related Services	1,093,224	1,145,694	1,156,277	1,142,603	1,174,741	1,110,653	1,088,684	1,095,685	1,155,244
General Administrative Services	340,918	369,527	368,636	372,062	345,742	362,816	363,824	380,915	395,350
School Administrative Services	340,239	354,805	369,456	366,454	383,122	395,146	409,795	420,950	412,972
Central Services	129,313	130,246	134,402	137,645	138,166	147,847	153,293	150,396	157,130
Plant Operations And Maintenance	996,602	1,099,202	1,190,080	1,196,937	1,220,209	1,154,694	1,094,582	1,018,990	938,809
Pupil Transportation	1,103,401	1,167,932	1,256,640	1,289,909	1,342,996	1,219,697	1,186,503	1,290,220	1,191,416
Unallocated Benefits	2,340,956	2,531,895	3,005,669	3,030,225	2,846,902	2,942,777	3,166,246	3,249,684	3,370,158
Capital Outlay	59,563	78,431	110,482	378,255	27,583	71,004	57,040	2,971,641	271,920

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST NINE FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*  
*(Continued)*

	Fiscal Year Ending June 30,								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Service:									
Principal	\$ 775,000	\$ 760,000	\$ 740,000	\$ 720,000	\$ 245,000	\$ 240,000	\$ 240,000	\$ 235,000	\$ 1,235,000
Interest And Other Charges	315,494	273,892	232,489	192,119	131,298	124,138	115,738	106,838	200,563
Total Expenditures	<u>13,681,449</u>	<u>14,243,265</u>	<u>15,265,203</u>	<u>15,657,543</u>	<u>15,074,321</u>	<u>14,967,513</u>	<u>14,908,670</u>	<u>18,494,198</u>	<u>16,375,382</u>
Excess (Deficiency) Of Revenues									
Over (Under) Expenditures	<u>91,580</u>	<u>732,204</u>	<u>(130,335)</u>	<u>(115,368)</u>	<u>(654,312)</u>	<u>(774,218)</u>	<u>(393,139)</u>	<u>(3,590,815)</u>	<u>(862,507)</u>
Other Financing Sources (Uses)									
Serial Bonds Defeased					3,108,000				
Serial Bonds Issued					(3,075,000)			3,300,000	
Bond Premium					(157,196)				
Bond Issuance Costs					99,597				
Unearned Revenue					24,599				
Transfers In	23,015	53,150	106,118	78,917	276,926	284,798	357,769	321,265	1,021,542
Transfers Out	(55,015)	(53,150)	(106,118)	(78,917)	(276,926)	(284,798)	(357,769)	(321,265)	(1,021,542)
Total Other Financing Sources (Uses)	<u>(32,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,300,000</u>	<u>-</u>
Net Change In Fund Balances	<u>\$ 59,580</u>	<u>\$ 732,204</u>	<u>\$ (130,335)</u>	<u>\$ (115,368)</u>	<u>\$ (654,312)</u>	<u>\$ (774,218)</u>	<u>\$ (393,139)</u>	<u>\$ (290,815)</u>	<u>\$ (862,507)</u>
Debt Service As A Percentage Of Noncapital Expenditures	8.0%	7.3%	6.4%	6.0%	2.5%	2.4%	2.8%	2.2%	8.9%

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

WALLKILL 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>Rentals</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Insurance</u> <u>Settlement</u>	<u>Total</u>
2004	\$ 13,252	\$ 6,955	\$ 10,800	\$ 15,473		\$ 46,480
2005	13,842	5,862		72,605		92,309
2006	65,747	6,530	20,650	78,386	\$ 474,666	645,979
2007	98,924		33,420	79,794		212,138
2008	75,771		3,800	14,774		94,345
2009	41,164			87,001		128,165
2010	20,699		4,000	72,327		97,026
2011	6,278		4,400	76,001		86,679
2012	3,582		3,600	65,750		72,932
2013	1,314		4,600	63,871		69,785

Source: Wallkill Valley Regional High School District records

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST NINE YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities *	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<u>Franklin Borough</u>													
2004	\$ 8,019,500	\$ 160,745,400	\$ 2,625,100	\$ 127,900	\$ 44,956,800	\$ 6,862,200	\$ 4,994,300	\$ 228,331,200	\$ 37,597,900	\$ 2,699,727	\$ 231,030,927	\$ 0.84	\$ 336,600,819
2005	5,889,700	162,777,200	2,225,900	143,300	58,002,400	6,966,000	4,994,300	240,998,800	25,724,100	2,331,278	243,330,078	0.82	438,179,636
2006	5,341,000	164,173,400	2,225,900	150,700	56,260,000	7,200,700	4,759,700	240,111,400	26,081,500	2,382,655	242,494,055	0.82	490,624,029
2007	5,977,900	165,345,500	2,519,000	155,700	56,514,700	6,506,000	3,588,200	240,607,000	25,376,200	2,410,024	243,017,024	0.86	519,220,975
2008	5,669,800	166,086,500	2,519,000	155,700	57,469,500	6,506,000	3,433,500	241,840,000	25,136,100	1,759,787	243,599,787	0.86	507,321,166
2009	6,183,400	166,411,300	2,351,500	156,000	57,876,100	6,506,000	3,433,500	242,917,800	26,152,000	1,697,057	244,614,857	0.74	530,387,808
2010	* 19,202,000	319,440,600	4,444,100	152,800	123,398,300	13,167,700	7,466,200	487,271,700	58,078,400	2,626,313	489,898,013	0.37	535,613,771
2011	15,165,600	309,750,900	4,849,900	210,600	121,699,700	12,949,100	7,253,800	471,879,600	58,078,400	2,032,665	473,912,265	0.41	500,752,605
2012	14,345,200	309,071,200	5,238,000	226,100	114,519,600	12,949,100	7,207,500	463,556,700	57,677,700	1,634,573	465,191,273	0.46	494,108,058
<u>Hamburg Borough</u>													
2004	\$ 3,315,750	\$ 171,463,500	\$ 169,000	\$ 30,100	\$ 19,814,900	\$ 3,375,700	\$ 331,500	\$ 198,500,450	\$ 4,098,300	\$ 559,099	\$ 199,059,549	\$ 0.51	\$ 215,360,340
2005	6,566,750	174,416,900	169,000	5,100	19,814,900	3,375,700	331,500	204,679,850	4,318,300	485,727	205,165,577	0.57	259,190,581
2006	6,094,650	176,644,900	169,000	4,500	20,174,100	3,375,700	331,500	206,794,350	4,784,600	372,337	207,166,687	0.64	348,530,765
2007	5,635,450	179,462,200	169,000	4,500	19,514,500	3,375,700	331,500	208,492,850	4,659,200	302,368	208,795,218	0.66	352,714,111
2008	5,610,450	179,426,800	169,000	4,500	19,514,500	3,375,700	331,500	208,432,450	4,659,200	278,884	208,711,334	0.68	383,167,494
2009	5,708,150	180,852,200	169,000	4,500	19,405,200	2,745,700	331,500	209,216,250	4,750,400	221,848	209,438,098	0.70	356,187,241
2010	5,734,750	180,536,500	169,000	4,500	18,712,800	2,745,700	331,500	208,234,750	4,750,400	307,672	208,542,422	0.70	356,252,093
2011	5,684,750	180,074,500	169,000	4,500	17,088,400	3,921,700	331,500	207,274,350	4,877,700	351,612	207,625,962	0.69	309,059,187
2012	4,698,150	179,344,400	-	-	17,815,200	3,921,700	747,800	206,527,250	4,906,300	402,529	206,929,779	0.72	309,323,203

**WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST NINE YEARS**  
**UNAUDITED**

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<b>Hardyston Township</b>													
2004	\$ 31,767,700	\$ 424,391,400	\$ 8,464,000	\$ 1,282,900	\$ 51,661,200	\$ 9,969,700	\$ 9,688,000	\$ 537,224,900	\$ 51,267,400	\$ 1,858,088	\$ 539,082,988	\$ 0.71	\$ 751,921,729
2005	32,552,400	450,695,200	8,984,900	1,132,200	55,522,700	10,586,800	9,688,000	569,162,200	57,020,800	1,666,503	570,828,703	0.67	897,604,202
2006	31,296,700	483,356,600	8,984,900	1,133,700	55,277,100	11,519,000	9,688,000	601,256,000	57,148,900	1,428,498	602,684,498	0.67	1,174,136,953
2007	26,103,700	525,192,800	9,300,400	1,134,900	57,790,200	11,877,300	9,688,000	641,087,300	57,148,900	1,323,716	642,411,016	0.65	1,252,603,379
2008	23,323,200	593,257,700	9,690,600	1,111,700	57,547,000	13,844,300	9,688,000	708,462,500	57,576,600	1,315,605	709,778,105	0.58	1,375,538,963
2009	28,631,500	596,713,000	9,448,700	1,070,200	61,514,100	16,711,200	9,688,000	723,776,700	58,076,100	1,135,127	724,911,827	0.58	1,296,337,316
2010	* 47,367,900	916,046,400	15,985,100	1,277,300	115,094,600	46,989,500	17,013,600	1,159,774,400	121,692,000	2,595,898	1,162,370,298	0.37	1,306,080,537
2011	45,888,100	914,453,800	15,949,600	1,279,200	111,256,300	43,547,700	17,013,600	1,149,388,300	122,537,000	2,165,303	1,151,553,603	0.39	1,207,205,709
2012	45,246,200	916,366,400	15,348,800	1,281,700	110,953,000	43,062,300	17,013,600	1,149,272,000	123,886,900	2,303,546	1,151,575,546	0.41	1,209,212,158
<b>Ogdensburg Borough</b>													
2004	\$ 3,200,300	\$ 101,766,050	\$ 624,600	\$ 21,100	\$ 6,947,400	\$ 1,846,200	\$ 785,600	\$ 115,191,250	\$ 11,027,100	\$ 375,251	\$ 115,566,501	\$ 0.66	\$ 159,792,016
2005	3,180,300	101,795,750	624,600	21,100	7,047,600	1,646,200	734,000	115,049,550	11,317,600	331,769	115,381,319	0.67	178,553,219
2006	3,044,800	102,175,450	624,600	21,100	7,047,600	1,646,200	734,000	115,293,750	11,317,600	269,406	115,563,156	0.70	225,753,382
2007	3,253,000	103,237,950	624,600	21,100	7,386,800	1,646,200	734,700	116,904,350	11,317,600	217,714	117,122,064	0.74	231,156,302
2008	2,992,800	103,189,750	624,600	21,100	7,241,600	1,446,200	734,700	116,250,750	11,523,300	189,815	116,440,565	0.75	245,758,896
2009	* 5,102,800	215,463,800	317,600	10,100	15,103,400	3,462,500	2,788,100	242,248,300	20,829,900	256,190	242,504,490	0.34	248,778,902
2010	4,471,000	215,264,100	317,600	15,900	15,285,900	3,462,500	2,788,100	241,605,100	21,334,400	376,515	241,981,615	0.32	246,933,065
2011	3,232,200	215,743,200	317,600	15,900	15,747,300	3,137,000	2,788,100	240,981,300	22,516,400	414,607	241,981,615	0.33	230,780,026
2012	3,430,500	215,323,000	317,600	15,900	15,549,000	3,137,000	2,788,100	240,561,100	22,775,300	436,209	240,997,309	0.37	233,041,034

\* Revaluation Year

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ended June 30, 2006.

Source: Municipal Tax Assessor

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

Reassessment occurs when 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

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

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Franklin	Local School District	Sussex County	
	2003	\$ 0.757	\$ 0.084	\$ 0.841	\$ 1.008	\$ 1.510	
2004	0.759	0.084	0.843	0.999	1.544	0.704	4.090
2005	0.736	0.082	0.818	1.086	1.553	0.773	4.230
2006	0.736	0.082	0.818	1.086	1.553	0.773	4.230
2007	0.771	0.086	0.857	1.220	1.597	0.681	4.355
2008	0.774	0.086	0.860	1.342	1.601	0.830	4.633
2009	0.663	0.074	0.737	1.471	1.680	0.801	4.689
2010	* 0.335	0.037	0.372	0.860	0.865	0.442	2.539
2011	0.369	0.041	0.410	0.901	0.921	0.456	2.688
2012	0.410	0.046	0.456	0.932	0.957	0.493	2.838

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Hamburg	Local School District	Sussex County	
	2003	\$ 0.446	\$ 0.050	\$ 0.495	\$ 0.548	\$ 1.281	
2004	0.459	0.051	0.510	0.610	1.350	0.540	3.010
2005	0.513	0.057	0.570	0.637	1.370	0.583	3.160
2006	0.572	0.064	0.635	0.668	1.471	0.656	3.430
2007	0.594	0.066	0.660	0.710	1.580	0.690	3.640
2008	0.609	0.068	0.677	0.774	1.654	0.710	3.815
2009	0.630	0.070	0.700	0.810	1.700	0.700	3.910
2010	0.629	0.070	0.699	0.892	1.773	0.691	4.055
2011	0.625	0.069	0.694	0.926	1.847	0.704	4.171
2012	0.651	0.072	0.723	0.947	1.859	0.694	4.223

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

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Hardyston	Local School District	Sussex County	
	2003	\$ 0.626	\$ 0.070	\$ 0.696	\$ 0.659	\$ 1.177	
2004	0.639	0.071	0.710	0.623	1.265	0.672	3.270
2005	0.607	0.067	0.674	0.681	1.240	0.755	3.350
2006	0.607	0.067	0.674	0.681	1.240	0.755	3.350
2007	0.582	0.065	0.647	0.679	1.230	0.792	3.348
2008	0.522	0.058	0.580	0.775	1.758	0.756	3.869
2009	0.521	0.058	0.579	0.805	1.203	0.740	3.327
2010	* 0.337	0.037	0.374	0.539	0.782	0.374	2.069
2011	0.351	0.039	0.390	0.561	0.815	0.460	2.226
2012	0.365	0.041	0.405	0.565	0.827	0.487	2.284

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Ogdensburg	Local School District	Sussex County	
	2003	\$ 0.603	\$ 0.067	\$ 0.670	\$ 1.022	\$ 1.457	
2004	0.592	0.066	0.658	1.131	1.509	0.660	3.958
2005	0.601	0.067	0.668	1.393	1.625	0.680	4.366
2006	0.634	0.070	0.704	1.437	1.630	0.725	4.496
2007	0.666	0.074	0.740	1.479	1.708	0.803	4.730
2008	0.678	0.075	0.753	1.563	1.746	0.809	4.871
2009	* 0.302	0.034	0.335	0.787	0.875	0.390	2.387
2010	0.291	0.032	0.323	0.869	0.904	0.412	2.508
2011	0.300	0.033	0.333	0.906	0.924	0.435	2.598
2012	0.331	0.037	0.368	0.906	0.942	0.447	2.663

Source: Municipal Tax Collector and School Business Administrator

\* Revaluation Year

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

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

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

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

Franklin Borough

Hamburg Borough

Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Wal-Mart	\$ 11,941,000	2.52%
Franklin 23	10,621,200	2.24%
Transbanc International Corp	9,057,700	1.91%
Weis Markets, Inc	7,500,000	1.58%
Hillside Estates at Franklin	4,839,000	1.02%
Wurtsboro Associates	4,784,500	1.01%
Braen Aggregates, LLC	4,623,600	0.98%
Sterling Plaza, Inc	3,900,000	0.82%
KAJ Franklin, LLC	3,438,800	0.73%
Durling Realty, LLC	2,845,600	0.60%
<b>Total</b>	<b>\$ 63,551,400</b>	<b>13.41%</b>

Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Ames Rubber Corp	\$ 2,500,000	1.20%
Kaytes Realty	1,576,000	0.76%
Gov. Haines Square	1,488,700	0.72%
24 Ames Boulevard, LLC	1,176,000	0.57%
TRB Investments, LLC	916,000	0.44%
Wachovia Tax Dept	690,900	0.33%
Plaza 23, LLC	678,000	0.33%
Grey Elephant, LLC	590,000	0.29%
D&K Properties	552,500	0.27%
Martin Lee, LLC	548,500	0.27%
<b>Total</b>	<b>\$ 10,716,600</b>	<b>5.18%</b>

Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value
Not Available		
<b>Total</b>	<b>\$ -</b>	<b>0.00%</b>

Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value
Ames Rubber Corporation	\$ 3,350,000	2.47%
Plastoid Corporation	2,318,600	1.71%
Accurate Forming	2,182,800	1.61%
Southgate Associates	1,620,000	1.20%
Wynfield Corporation	1,528,400	1.13%
WHC Seven Investors, Inc.	1,306,000	0.96%
First Fidelity Bank	1,064,200	0.79%
Individual Taxpayer #1	947,700	0.70%
Governor Haines Square Corporation	852,800	0.63%
Pipquarry Company, Inc.	844,000	0.62%
<b>Total</b>	<b>\$ 16,014,500</b>	<b>11.82%</b>

WALKILL VALLEY REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED  
(Continued)

Hardyston Township

Ogdensburg Borough

Taxpayer	2012		Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Assoc, LLC	\$ 17,013,600	8.22%	Individual Taxpayer #1	\$ 4,426,400	1.83%
WT Spe, LLC	15,465,100	7.47%	Jimmy Dobbins PL. (C/O McGovern/Roseman)	3,378,500	1.40%
Eastern Concrete Materials, Inc	8,808,700	4.26%	AA-7 Self Storage, LLC	1,935,500	0.80%
Grand Cascades Lodge at Crystal Springs	8,608,700	4.16%	Ogdensburg Associates	1,850,000	0.76%
Ballyoween Spe, LLC	8,301,500	4.01%	Individual Taxpayer #2	1,742,800	0.72%
Crystal Springs Spe, LLC	6,790,700	3.28%	Sterling Hill Mining Museum	1,287,200	0.53%
Shotland Bauer, LLC	6,716,800	3.25%	Individual Taxpayer #3	1,261,100	0.52%
SMS Hardyston, LLC	6,407,000	3.10%	Saint Thomas of Aquin Church	1,052,600	0.43%
Beaver Run Shopping Center	6,097,200	2.95%	Sterling Hill Mining Museum	794,300	0.33%
City of Newark Sewer & Water Supply	6,075,300	2.94%	Individual Taxpayer #4	790,800	0.33%
<b>Total</b>	<b>\$ 90,284,600</b>	<b>43.64%</b>	<b>Total</b>	<b>\$ 18,519,200</b>	<b>7.65%</b>

Taxpayer	2003		Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Associates	\$ 10,263,400		Estate of John Dobbins	\$ 1,603,400	1.38%
Newark Watershed CDC	9,113,000		Ogdensburg Associates	1,500,000	1.29%
Crystal Springs Buuilders & Acquisition	8,047,600		Deluxe Lab Film Storage	788,400	0.68%
Bally Bunion Golf Club USA	5,392,400		Madusa Minerals	435,000	0.37%
Black Bair Golf, Inc.	3,106,100		Sussex Park LMTD Partnership	405,600	0.35%
Beaver Lake Realty	2,189,100		Individual Taxpayer #1	381,400	0.33%
Blue Circle Raia, Inc.	2,004,500		JBL-RAL Associates	350,000	0.30%
KAW, LLC/NSAP	1,970,700		Individual Taxpayer #2	320,900	0.28%
United Telephone Co. of NJ	1,722,321		Individual Taxpayer #3	308,700	0.27%
Lake Gerard Co.	1,595,400		Art Tyler Inc.	307,800	0.26%
<b>Total</b>	<b>\$ 45,404,521</b>	<b>N/A</b>	<b>Total</b>	<b>\$ 6,401,200</b>	<b>5.51%</b>

N/A - Not Available

Source: Municipal Tax Assessor

\* Note: Individual taxpayers may be different in 2011 and 2002. A revaluation was effective in 2009 for Ogdensburg.

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$ 7,604,481	\$ 7,604,481	100.00%	-0-
2005	7,496,122	7,496,122	100.00%	-0-
2006	8,115,830	8,115,830	100.00%	-0-
2007	8,227,480	8,227,480	100.00%	-0-
2008	8,615,213	8,615,213	100.00%	-0-
2009	8,305,138	8,305,138	100.00%	-0-
2010	8,249,911	8,249,911	100.00%	-0-
2011	8,579,907	8,579,907	100.00%	-0-
2012	8,765,642	8,765,642	100.00%	-0-
2013	9,365,176	9,365,176	100.00%	-0-

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST NINE FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2005	\$ 5,563,000	-0-	-0-	-0-	-0-	\$ 5,563,000	0.73%	\$ 296.58	
2006	4,803,000	-0-	-0-	-0-	-0-	4,803,000	0.59%	252.25	
2007	4,063,000	-0-	-0-	-0-	-0-	4,063,000	0.46%	209.42	
2008	3,343,000	-0-	-0-	-0-	-0-	3,343,000	0.35%	170.92	
2009	3,065,000	-0-	-0-	-0-	-0-	3,065,000	0.32%	157.31	
2010	2,825,000	-0-	-0-	-0-	-0-	2,825,000	0.31%	145.51	
2011	2,585,000	-0-	-0-	-0-	-0-	2,585,000	0.28%	136.50	
2012	5,650,000	-0-	-0-	-0-	-0-	5,650,000	0.60%	299.73	
2013	4,415,000	-0-	-0-	-0-	-0-	4,415,000	0.47%	236.08	

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 5,563,000	\$ -0-	\$ 5,563,000	2.051%	\$ 296.58
2006	4,803,000	-0-	4,803,000	1.693%	252.25
2007	4,063,000	-0-	4,063,000	1.392%	209.42
2008	3,343,000	-0-	3,343,000	1.104%	170.92
2009	3,065,000	-0-	3,065,000	0.959%	157.31
2010	2,825,000	-0-	2,825,000	0.795%	145.51
2011	2,585,000	-0-	2,585,000	0.492%	136.50
2012	5,650,000	-0-	5,650,000	1.089%	299.73
2013	4,415,000	-0-	4,415,000	0.855%	236.08

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

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

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

Exhibit J-12

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Franklin Borough	\$ 1,014,074	100.000%	\$ 1,014,074
Hamburg Borough	397,600	100.000%	397,600
Hardyston Township	9,514,500	100.000%	9,514,500
Ogdensburg Borough	1,128,563	100.000%	1,128,563
County of Sussex - Municipality's Share:			
Franklin Borough	78,366,014	2.615%	2,049,542
Hamburg Borough	78,366,014	1.637%	1,283,061
Hardyston Township	78,366,014	6.400%	5,015,767
Ogdensburg Borough	78,366,014	1.234%	966,646
Subtotal, Overlapping Debt			21,369,753
Wallkill Valley Regional High School District Direct Debt			4,415,000
Total Direct And Overlapping Debt			<u>\$ 25,784,753</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

	Franklin Borough	Hamburg Borough	Hardyston Township	Ogdensburg Borough	Equalized Valuation Basis
2012	\$ 447,232,706	\$ 289,294,369	\$ 1,179,466,338	\$ 214,882,626	\$ 2,130,876,039
2011	498,604,818	308,535,799	1,204,935,842	230,383,652	2,242,460,111
2010	510,552,913	337,769,262	1,230,529,867	240,810,426	2,319,662,468
	<u>\$ 1,456,390,437</u>	<u>\$ 935,599,430</u>	<u>\$ 3,614,932,047</u>	<u>\$ 686,076,704</u>	<u>\$ 6,692,998,618</u>
	Average Equalized Valuation of Taxable Property				\$ 2,230,999,539
	Debt Limit (3% of average equalization value)				66,929,986 <sup>a</sup>
	Net Bonded School Debt				<u>4,415,000</u>
	Legal Debt Margin				<u>\$ 62,514,986</u>

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	\$ 42,012,033	\$ 40,537,342	\$ 49,684,598	\$ 54,768,010	\$ 65,872,693
Total Net Debt Applicable to Limit	<u>3,922,810</u>	<u>5,563,000</u>	<u>4,803,000</u>	<u>4,063,000</u>	<u>3,343,000</u>
Legal Debt Margin	<u>\$ 38,089,223</u>	<u>\$ 34,974,342</u>	<u>\$ 44,881,598</u>	<u>\$ 44,881,598</u>	<u>\$ 50,705,010</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	9.34%	13.72%	9.67%	7.42%	5.07%

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 71,526,363	\$ 73,311,656	\$ 72,741,913	\$ 69,832,485	\$ 66,929,986
Total Net Debt Applicable to Limit	<u>3,065,000</u>	<u>2,825,000</u>	<u>2,585,000</u>	<u>5,650,000</u>	<u>4,415,000</u>
Legal Debt Margin	<u>\$ 62,529,693</u>	<u>\$ 68,461,363</u>	<u>\$ 70,486,656</u>	<u>\$ 64,182,485</u>	<u>\$ 62,514,986</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	4.29%	3.85%	3.55%	8.09%	6.60%

<sup>a</sup> Limit set by NJSA 18A:24-19 for a 9 through 12 district; other % limits would be applicable for other districts

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

Exhibit J-14

1 of 2

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income <sup>b</sup></u>	<u>Unemployment Rate <sup>c</sup></u>
<u>Franklin Borough</u>				
2003	5,167	\$ 203,223,277	\$ 39,331	3.50%
2004	5,150	209,790,400	40,736	2.60%
2005	5,130	217,558,170	42,409	4.90%
2006	5,119	232,586,884	45,436	4.90%
2007	5,122	246,885,522	48,201	4.90%
2008	5,095	252,584,625	49,575	6.30%
2009	5,077	241,050,883	47,479	10.30%
2010	5,042	248,101,694	49,207	11.00%
2011	5,019	249,855,858	49,782 *	10.70%
2012	4,945	246,171,990	49,782 *	10.60%
<u>Hamburg Borough</u>				
2003	3,457	135,967,267	39,331	7.90%
2004	3,479	141,720,544	40,736	6.00%
2005	3,504	148,601,136	42,409	4.90%
2006	3,498	158,935,128	45,436	4.60%
2007	3,479	167,691,279	48,201	4.40%
2008	3,470	172,025,250	49,575	5.60%
2009	3,459	164,229,861	47,479	9.30%
2010	3,276	161,202,132	49,207	9.90%
2011	3,261	162,339,102	49,782 *	9.60%
2012	3,208	159,700,656	49,782 *	9.60%

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Continued)

Year	Population <sup>a</sup>	Personal Income	Sussex County Per Capita Personal Income <sup>b</sup>	Unemployment Rate <sup>c</sup>
<u>Hardyston Township</u>				
2003	7,358	\$ 289,397,498	\$ 39,331	4.40%
2004	7,514	306,090,304	40,736	3.30%
2005	7,813	331,341,517	42,409	4.70%
2006	8,192	372,211,712	45,436	4.90%
2007	8,380	403,924,380	48,201	6.20%
2008	8,357	414,298,275	49,575	6.20%
2009	8,326	395,310,154	47,479	10.30%
2010	8,210	403,989,470	49,207	11.00%
2011	8,172	406,818,504	49,782 *	10.70%
2012	8,089	402,686,598	49,782 *	10.60%
<u>Ogdensburg Borough</u>				
2003	2,626	103,283,206	39,331	4.10%
2004	2,614	106,483,904	40,736	3.10%
2005	2,594	110,008,946	42,409	3.40%
2006	2,592	117,770,112	45,436	3.50%
2007	2,578	124,262,178	48,201	4.50%
2008	2,562	127,011,150	49,575	4.50%
2009	2,552	121,166,408	47,479	7.60%
2010	2,410	118,588,870	49,207	8.10%
2011	2,398	119,377,236	49,782 *	7.90%
2012	2,376	118,282,032	49,782 *	7.80%

Source:

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

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

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

\* - Latest Sussex County per capita personal income available (2011) was used for calculation purposes.

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

2013			2004		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	N/A	Selective Insurance	954	N/A
Newton Memorial Hospital	1,200	N/A	Andover Subacute and Rehab Center	906	N/A
Selective Insurance	900	N/A	Mountain Creek/Intrawest	815	N/A
County of Sussex	830	N/A	County of Sussex	800	N/A
Mountain Creek Resort	800	N/A	Newton Memorial Hospital	757	N/A
Ames Rubber Corp	445	N/A	Vernon Township Bd. of Education	711	N/A
Shop Rite Supermarkets (Ronetco)	301	N/A	F.O. Phoenix, Inc.	629	N/A
Andover Subacute and Rehab Center	300	N/A	Hopatcong Board of Education	600	N/A
Sussex County Community College	300	N/A	Wal-Mart	450	N/A
SCARC, Inc.	287	N/A	Saint Claire's Hospital	380	N/A
	<u>7,363</u>			<u>7,002</u>	

N/A - Information is not available

Source: County of Sussex, Department of Administration and Finance.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
LAST NINE FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Instruction</b>									
Regular	48.5	50.5	51.0	52.0	52.0	52.0	55.5	55.5	47.0
Special Education	7.0	7.0	7.0	7.0	7.0	7.0	8.0	9.0	9.0
Other Special Education	1.0	1.0	1.0	1.0	1.0	1.0			0.5
<b>Support Services:</b>									
Student and Instruction Related Services	19.0	19.5	20.0	20.0	20.0	20.0	11.5	11.5	10.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Plant Operations and Maintenance	9.5	9.5	9.0	9.0	9.0	9.0	8.0	8.0	8.0
Business and Other Support Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Total</b>	<b>96.0</b>	<b>98.5</b>	<b>99.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>94.0</b>	<b>95.0</b>	<b>85.5</b>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: District Personnel Records

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
OPERATING STATISTICS,  
LAST NINE FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School				
2005	826	\$ 12,499,387	\$ 15,132	N/A	57	1:14.6	826	783	-3.48%	94.80%
2006	891	13,128,936	14,735	-2.63%	59	1:15.2	891	847	7.87%	95.10%
2007	871	14,182,232	16,283	10.50%	66	1:13.2	871	827	-2.29%	95.00%
2008	837	14,367,169	17,165	5.42%	67	1:12.4	857	815	-1.45%	95.10%
2009	837	14,669,381	17,526	2.10%	67	1:12.4	824	786	-3.56%	95.30%
2010	788	14,532,371	18,442	5.23%	65	1:12.2	790	757	-3.69%	95.99%
2011	775	14,495,892	18,704	1.42%	67	1:11.8	780	745	-1.59%	95.99%
2012	706	15,180,719	21,518	15.04%	64	1:11.6	708	678	-9.23%	95.80%
2013	684	14,667,889	21,444	-0.34%	57	1:12.1	691	658	-2.95%	95.22%

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Wallkill Valley Regional High 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.

N/A Not Available

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST NINE FISCAL YEARS  
UNAUDITED

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
High School (1982)									
Square Feet	176,500	176,500	176,500	176,500	176,500	176,500	176,500	176,500	176,500
Capacity (students)	950	950	950	950	950	950	950	950	950
Enrollment	826	891	871	837	837	788	775	706	684

Number of Schools at June 30, 2013

- Elementary = 0
- Middle School = 0
- High School = 1
- Other = 0

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Wallkill Valley Regional High School District records

Note: Year of original construction is shown in parentheses.  
 Enrollment is based on the annual October district count.

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Undistributed Expenditures - Required  
 Maintenance For School Facilities  
 11-000-261-xxx

Fiscal Year Ended June 30,	High School	*	Total
2004	\$ 118,644	\$	118,644
2005	99,061		99,061
2006	117,610		117,610
2007	146,761		146,761
2008	145,646		145,646
2009	170,028		170,028
2010	154,458		154,458
2011	153,293		153,293
2012	126,761		126,761
2013	143,111		143,111

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

Source: Walkill Valley Regional High School District records

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2013  
UNAUDITED

The Board of Education is provided coverage through the New Jersey School Boards Insurance Group.

Property Insurance including Buildings, Contents, Boiler & Machinery, Extra Expense, Valuable Papers and EDP Equipment/Media/Extra Expense with a limit of the total appraised value of the property and contents with a deductible of \$5,000.

Crime and Fidelity Insurance includes:

- a. Money and Securities including loss either inside or outside: \$100,000 each loss with a \$1,000 deductible.
- b. Blanket Dishonesty Bond with a limit of \$250,000 subject to a \$1,000 deductible.

Comprehensive General Liability (GL) and Auto Liability (AL) Insurance with a basic policy limit of \$11,000,000.

Workers' Compensation Insurance at statutory limits with an employers' liability of \$2,000,000.

Supplementary Workers' Compensation up to one year.

School Leader Professional Liability (SLPL) Insurance with a limit of \$6,000,000.

Student Accident Insurance covering all students	\$ 5,000,000
Student Accident Catastrophic	\$ 550,000

Selective Insurance provides Bond Coverage in the following amounts:

BA/Board Secretary	\$ 204,000
Treasurer of School Moneys	\$ 204,000

Source: District records

SINGLE AUDIT SECTION



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax  
 Lawrence Business Park  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

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  
 Wallkill Valley Regional School District  
 Hamburg, 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 Wallkill Valley Regional High School District, in the County of Sussex (the "District") as of, and for the fiscal year ended June 30, 2013, 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 28, 2013.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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  
Wallkill Valley Regional 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

October 28, 2013  
Mount Arlington, New Jersey



NISIVOCIA LLP



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David H. Evans, Partner  
Licensed Public School Accountant #740  
Certified Public Accountant



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Report on Compliance For Each Major State Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133  
 and New Jersey OMB's Circular 04-04

Independent Auditors' Report

The Honorable President and Members  
 Of the Board of Education  
 Wallkill Valley Regional School District  
 Hamburg, New Jersey

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

We have audited the Wallkill Valley Regional High School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and 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, 2013. 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 laws, regulations, contracts, and grants 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 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 programs. However, our audit does not provide a legal determination of the District's compliance.

***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, 2013.

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

### 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 OMB Circular A-133 and NJOMB 04-04, 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.

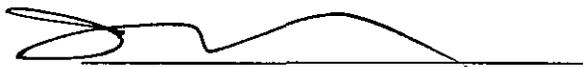
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

October 28, 2013  
Mount Arlington, New Jersey



NISIVOCCIA LLP



David H. Evans, Partner  
Licensed Public School Accountant #740  
Certified Public Accountant

**WALL KILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue/ (Accounts Receivable) 6/30/12	Due to Grantor 6/30/12	Cash Received	Budgetary Expenditures	Returned to Grantor	Balance 6/30/13		Due to Grantor 6/30/13
										Accounts Receivable	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	N/A	7/1/09-6/30/12	\$ 166,820	\$ (5,458)		\$ 24,310	\$ (18,852)				
Total General Fund					(5,458)		24,310	(18,852)				
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.550	N/A	7/1/11-6/30/12	18,837	2,227			\$ (2,227)				
Federal Food Distribution Program	10.550	N/A	7/1/12-6/30/13	13,780			13,780	(12,408)			\$ 1,372	
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	43,811	(725)		725					
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	49,378			45,931	(49,378)		\$ (3,447)		
Total U.S. Department of Agriculture/Child Nutrition Cluster					1,502		60,436	(64,013)		(3,447)	1,372	
U.S. Department of Education												
Passed-through State Department of Education:												
No Child Left Behind Consolidated Grant:												
Title I	84-010A	NCLB-3100-12	9/1/11-8/31/12	39,898	(39,898)		39,898					
Title I	84-010A	NCLB-3100-13	9/1/12-8/31/13	46,059				(46,059)		(46,059)		
Title IIA	84.278A	NCLB-3100-12	9/1/11-8/31/12	14,686	(14,685)		14,685					
Title IIA	84.278A	NCLB-3100-13	9/1/12-8/31/13	13,562			1	(13,562)		(13,561)		
Title IV - Carryover	84.186A	NCLB-3100-09	9/1/08-8/31/09	1,723		\$ 4			\$ (4)			
Special Education Cluster:(For IDEA Grant)												
I.D.E.A. Part B, Basic	84.027	FT-5520-12	9/1/11-8/31/12	148,371	(148,371)		148,371					
I.D.E.A. Part B, Basic	84.027	FT-5520-13	9/1/12-8/31/13	144,658				(144,658)		(144,658)		
Perkins Vocational Education - Basic Grants	84.048A	N/A	9/1/09-6/30/10	32,404		13			(13)			
Perkins Vocational Education - Basic Grants	84.048A	N/A	9/1/11-6/30/12	23,714	(23,059)		23,059					
Perkins Vocational Education - Basic Grants	84.048A	N/A	9/1/12-6/30/13	15,000			655	(14,687)		(14,032)		
Total U.S. Department of Education					(226,013)	17	226,669	(218,966)	(17)	(218,310)		
Total Federal Financial Awards					\$ (229,969)	\$ 17	\$ 311,415	\$ (301,831)	\$ (17)	\$ (221,757)	\$ 1,372	\$ -0-

N/A - Not Available

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

**WALL KILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance	Cash Received	Budgetary Expenditures	Balance 6/30/13		MEMO	
				Unearned Revenue (Accounts Receivable) 06/30/12			GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>NJ Department of Education:</b>										
Equalization Aid	13-495-034-5120-078	7/1/12 - 6/30/13	\$ 2,698,928		\$ 2,432,541	\$ (2,698,928)			\$ (266,387)	\$ 2,698,928
Transportation Aid	13-495-034-5120-014	7/1/12 - 6/30/13	453,990		409,181	(453,990)			(44,809)	453,990
Special Education Aid	13-495-034-5120-011	7/1/12 - 6/30/13	406,063		365,984	(406,063)			(40,079)	406,063
Security Aid	13-495-034-5120-084	7/1/12 - 6/30/13	59,821		53,917	(59,821)			(5,904)	59,821
Adjustment Aid	13-495-034-5120-085	7/1/12 - 6/30/13	718,835		647,885	(718,835)			(70,950)	898,544
Extraordinary Aid	13-100-034-5120-473	7/1/12 - 6/30/13	65,921			(65,921)	\$ (65,921)		(65,921)	65,921
Non-Public Transportation	13-495-034-5120-014	7/1/12 - 6/30/13	3,810			(3,810)	(3,810)		(3,810)	3,810
Equalization Aid	12-495-034-5120-078	7/1/11 - 6/30/12	2,792,196	\$ (276,247)	276,247					2,792,196
Transportation Aid	12-495-034-5120-014	7/1/11 - 6/30/12	458,033	(45,315)	45,315					458,033
Special Education Aid	12-495-034-5120-011	7/1/11 - 6/30/12	393,803	(38,961)	38,961					393,803
Security Aid	12-495-034-5120-084	7/1/11 - 6/30/12	60,343	(5,970)	5,970					60,343
Adjustment Aid	12-495-034-5120-085	7/1/11 - 6/30/12	898,544	(88,898)	88,898					898,544
Extraordinary Aid	12-100-034-5120-473	7/1/11 - 6/30/12	74,570	(74,570)	74,570					74,570
Non-Public Transportation	12-495-034-5120-014	7/1/11 - 6/30/12	28	(28)	28					28
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12 - 6/30/13	465,017		440,366	(465,017)	(24,651)		(24,651)	484,532
<b>Total General Fund State Aid</b>				<b>(529,989)</b>	<b>4,879,863</b>	<b>(4,872,385)</b>	<b>(94,382)</b>		<b>(522,511)</b>	<b>9,749,126</b>
<b>Total NJ Department of Education</b>				<b>(529,989)</b>	<b>4,879,863</b>	<b>(4,872,385)</b>	<b>(94,382)</b>		<b>(522,511)</b>	<b>9,749,126</b>
<b>Capital Projects Fund:</b>										
SDA Grant	1050-040-03-0231	7/1/06-6/30/07	2,922,597	(30)			(30)		(30)	2,922,597
<b>Total Capital Projects Fund</b>				<b>(30)</b>			<b>(30)</b>		<b>(30)</b>	<b>2,922,597</b>
<b>Enterprise Fund:</b>										
National School Lunch Program (State Share)	13-100-034-5120-122	7/1/12 - 6/30/13	1,947		1,814	(1,947)	(133)			1,947
National School Lunch Program (State Share)	12-100-034-5120-122	7/1/11 - 6/30/12	2,401	(38)	38					2,401
<b>Total Enterprise Fund</b>				<b>(38)</b>	<b>1,852</b>	<b>(1,947)</b>	<b>(133)</b>			<b>4,348</b>
<b>Total State Awards</b>				<b>\$ (530,057)</b>	<b>\$ 4,881,715</b>	<b>\$ (4,874,332)</b>	<b>\$ (94,545)</b>	<b>\$ -0-</b>	<b>\$ (522,541)</b>	<b>\$ 12,676,071</b>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards include federal and state grant activity of the Board of Education, Wallkill Valley Regional High School District under programs of the federal and state governments for the fiscal year ended June 30, 2013. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because these 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 in 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 using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following cost principles contained in Federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. 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 those 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 \$27,262 for the general fund and \$0 for the Special Revenue Fund. See exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Payments and Post Retirement Medical Benefits revenue of \$440,916 and \$498,564 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 18,852	\$ 5,839,127	\$ 5,857,979
Special Revenue Fund	218,966		218,966
Enterprise Fund - Food Service	64,013	1,947	65,960
	<u>\$ 301,831</u>	<u>\$ 5,841,074</u>	<u>\$ 6,142,905</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

NOTE 4. 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 5. 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 year ended June 30, 2013. Revenues and expenditures reported under the Food Distribution program represent current year value received and current year distributions, respectively.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 Required by OMB Circular A-133 and New Jersey OMB's Circular 04-04*.
- 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 OMB's Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2013 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The District's programs tested as major state programs for the current fiscal year consisted of the following:

<u>State:</u>	<u>State</u> <u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	\$ 406,063	\$ 406,063
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	2,698,928	2,698,928
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	59,821	59,821
Adjustment Aid	13-495-034-5120-085	7/1/12-6/30/13	718,835	718,835

- The threshold used for distinguishing between State Type A and Type B programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 and New Jersey OMB's Circular 04-04 was \$500,000.
- The District was determined to be a "low-risk" auditee for state programs under the provisions of section 530 of the federal Circular.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(Continued)

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 section 510(a) of the federal circular and NJ OMB's Circular 04-04.

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings:

There were no findings in the prior year.