

**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, 2015**

**Comprehensive Annual
Financial Report**

of the

**Wallkill Valley Regional
High School District**

Hamburg, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Wallkill Valley Regional High School
For the Fiscal Year Ended June 30, 2015**

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
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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

November 20, 2015

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, 2015, 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's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control system and compliance with applicable laws, regulations, contracts and grants, and findings and recommendations, are 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 2014-15 fiscal year with an average daily enrollment of 673 students, which is an increase of 8 students from the previous year's average daily enrollment.

The Honorable President and Members of
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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 7 students over the previous year. As of June 30, 2015, the enrollment was 673; as of September 1, 2015 we had 686 students enrolled at Wallkill Valley Regional High School, an increase of 13 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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state 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, 2015.

The Honorable President and Members of
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Wallkill Valley Regional High School District
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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:

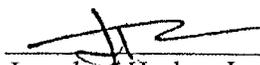
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, 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's OMB Circulars 04-04 and 15-08 *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,

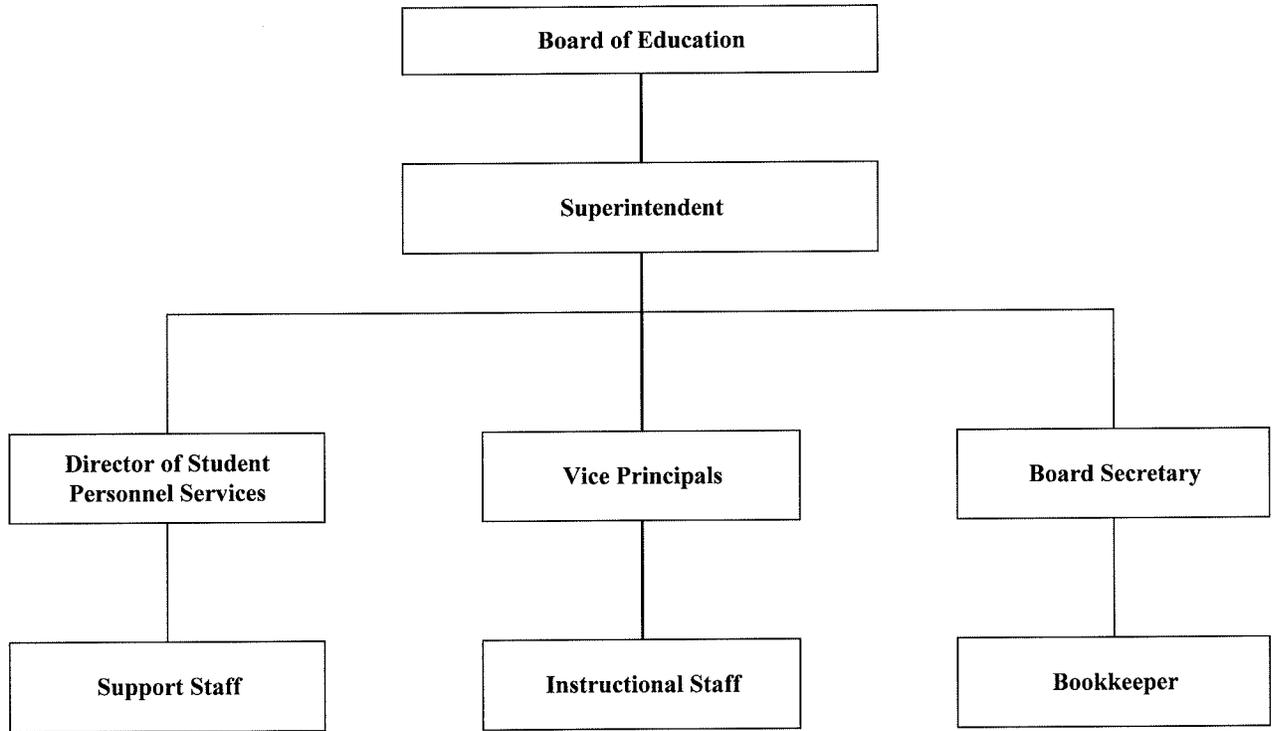


David Carr
Superintendent/Principal



Joseph P. Hurley, Jr
Business Administrator/Board Secretary

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



**WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Ronald Neal	Franklin Borough	2016
Marianne Nichols	Hardyston Township	2015
James R. Wright	Hardyston Township	2017
Virginia Jones	Hamburg Borough	2017
Jeffrey S. Hilbert, Sr.	Franklin Borough	2017
Edward Card	Hardyston Township	2015
Guy G. McHugh, President	Hamburg Borough	2015
Robert Carlson, Vice President	Hardyston Township	2016
James Lame	Ogdensburg Borough	2016
 <u>Other Officers</u>		
David Carr	Superintendent/Principal (From September 1, 2015)	
Robert Walker	Interim Superintendent and Chief School Administrator (Through August 31, 2015)	
Joseph P. Hurley Jr.	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, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the basic financial statements, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 17 to the basic financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the required supplementary information pension schedules and the budgetary comparison information in Exhibits C-1 through C-3 and I-2 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's OMB Circulars 04-04 and 15-08, *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 Honorable President and Members
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Wallkill Valley Regional High School District
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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.

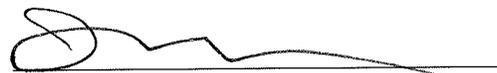
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 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.

November 20, 2015
Mount Arlington, New Jersey


NISIVOCIA 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, 2015
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, 2015. 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 strong on both a fund and district wide basis. At the close of 2014-15 school year, the District's General Fund had excess surplus of \$33,886.
- The overall revenue of the District totaled \$18,005,684 on a district wide basis.
- The overall expenses of the District totaled \$17,691,273 on a district wide basis.
- Net position of the District's business-type activity – food service program – decreased by \$3,099 over the previous year.
- In 2014-15 the District paid down \$320,000 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

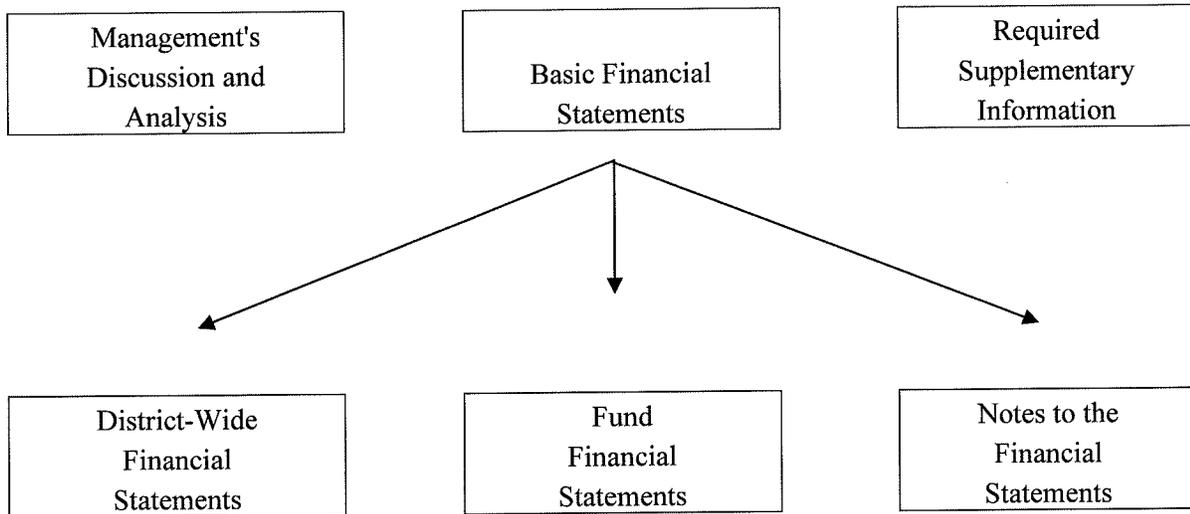


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
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, deferred inflows and outflows, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how they have changed. Net Position – the difference between the District's assets, deferred inflows and outflows, and liabilities – 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 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
	2013/14*	2014/15	2013/14*	2014/15	2013/14*	2014/15	
Current and Other Assets	\$ 1,795,836	\$ 1,850,606	\$ 40,429	\$ 37,234	\$ 1,836,265	\$ 1,887,840	2.81%
Capital Assets	11,306,116	11,214,268	45,315	43,639	11,351,431	11,257,907	-0.82%
Total Assets	<u>13,101,952</u>	<u>13,064,874</u>	<u>85,744</u>	<u>80,873</u>	<u>13,187,696</u>	<u>13,145,747</u>	-0.32%
Deferred Outflows of Resources		60,007					100.00%
Long-term Debt Outstanding	6,806,193	6,286,777			6,806,193	6,286,777	-7.63%
Other Liabilities	279,203	301,564	14,552	12,780	293,755	314,344	7.01%
Total Liabilities	<u>7,085,396</u>	<u>6,588,341</u>	<u>14,552</u>	<u>12,780</u>	<u>7,099,948</u>	<u>6,601,121</u>	-7.03%
Net Position							
Deferred Inflows of Resources		202,474					100.00%
Net Investment in Capital Assets	7,211,116	7,439,268	45,315	43,639	7,256,431	7,482,907	3.12%
Restricted	1,264,673	1,500,472			1,264,673	1,500,472	18.65%
Unrestricted/ (Deficit)	<u>(2,459,233)</u>	<u>(2,605,674)</u>	<u>25,877</u>	<u>24,454</u>	<u>(2,433,356)</u>	<u>(2,581,220)</u>	-6.08%
Total Net Position	<u>\$ 6,016,556</u>	<u>\$ 6,334,066</u>	<u>\$ 71,192</u>	<u>\$ 68,093</u>	<u>\$ 6,087,748</u>	<u>\$ 6,402,159</u>	5.16%

* Restated

Changes in Net Position. The District's combined net position was \$6,402,159 on June 30, 2015, \$314,411 or 5.16% 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 \$353,153. The net position of the business-type activities decreased \$3,099 (See Figure A-4).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	
Revenue:							
Program Revenue:							
Charges for Services	\$ 448		\$ 138,799	\$ 138,574	\$ 139,247	\$ 138,574	-0.48%
Operating Grants and Contributions	6,179,091	\$ 7,893,682	68,829	64,848	6,247,920	7,958,530	27.38%
General Revenue:							
Property Taxes	9,622,692	9,793,530			9,622,692	9,793,530	1.78%
Other	217,062	115,029	27	21	217,089	115,050	-47.00%
Total Revenue	<u>16,019,293</u>	<u>17,802,241</u>	<u>207,655</u>	<u>203,443</u>	<u>16,226,948</u>	<u>18,005,684</u>	10.96%
Expenses:							
Instruction	7,518,420	10,159,839			7,518,420	10,159,839	35.13%
Pupil and Instruction Services	3,226,038	3,067,123			3,226,038	3,067,123	-4.93%
Administrative and Business	1,591,026	1,301,694			1,591,026	1,301,694	-18.19%
Maintenance and Operations	1,597,808	1,383,380			1,597,808	1,383,380	-13.42%
Transportation	1,307,918	1,317,839			1,307,918	1,317,839	0.76%
Other	222,869	254,856	180,029	206,542	402,898	461,398	14.52%
Total Expenses	<u>15,464,079</u>	<u>17,484,731</u>	<u>180,029</u>	<u>206,542</u>	<u>15,644,108</u>	<u>17,691,273</u>	13.09%
Increase/(Decrease) in Net Position	<u>\$ 555,214</u>	<u>\$ 317,510</u>	<u>\$ 27,626</u>	<u>\$ (3,099)</u>	<u>\$ 582,840</u>	<u>\$ 314,411</u>	-46.06%

Revenue Sources. The District's total revenue for the 2014/15 school year was \$18,005,684. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$9,793,530 of the total, or 54.40 percent. (See Figure A-5). Another 44.20 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, \$878,197 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 2015

	Amount	Percentage
Sources of Income:		
Property Taxes	\$ 9,793,530	54.40%
Federal and State Categorical Grants	7,958,530	44.20%
Charges for Services	138,574	0.77%
Other	115,050	0.63%
Total Revenue	<u>\$ 18,005,684</u>	<u>100.00%</u>

The total cost of all programs and services was \$17,691,273. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (82.22 percent). (See Figure A-6). The District's administrative and business activities accounted for 7.82 percent of total costs. It is important to note that expenses include \$351,477 and \$1,676 of depreciation related to governmental and business-type capital assets, respectively.

Figure A-6
Expenses for Fiscal Year 2015

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 10,159,839	57.43%
Pupil and Instruction Services	3,067,123	17.34%
Administrative and Business	1,301,694	7.35%
Maintenance and Operations	1,383,380	7.82%
Transportation	1,317,839	7.45%
Other	461,398	2.61%
 Total Expenses	 <u><u>\$ 17,691,273</u></u>	 <u><u>100.00%</u></u>

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the improved. However, 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. The significant cost savings action 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>2013/14</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2014/15</u>
Instruction	\$ 7,518,420	\$10,159,839	\$ 2,339,788	\$ 2,981,759
Pupil and Instruction Services	3,226,038	3,067,123	2,924,537	2,828,149
Administrative and Business	1,591,026	1,301,694	1,444,728	1,301,694
Maintenance and Operations	1,597,808	1,383,380	1,520,406	1,383,380
Transportation	1,307,918	1,317,839	832,212	841,211
Other	222,869	254,856	222,869	254,856
	<u><u>\$ 15,464,079</u></u>	<u><u>\$ 17,484,731</u></u>	<u><u>\$ 9,284,540</u></u>	<u><u>\$ 9,591,049</u></u>

- The cost of all governmental activities this year was \$17.48 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$7.96 million).
- Most of the District's costs (\$9.79 million), however, were financed by District taxpayers.

Business-Type Activities

Net position from the District's business-type activity decreased by \$3,099. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenues by \$3,099, 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 increased 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 2014-15, it is not guaranteed that this will continue.

General Fund Budgetary Highlights

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 appropriations.

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>2013/14</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2014/15</u>	<u>Change</u>
Buildings, Building and Site Improvements	\$ 10,664,407	\$ 10,539,511			\$ 10,664,407	\$ 10,539,511	-1.17%
Machinery and Equipment	641,709	674,757	\$ 45,315	\$ 43,639	687,024	718,396	4.57%
Total Capital Assets - (Net of Depreciation)	<u>\$ 11,306,116</u>	<u>\$ 11,214,268</u>	<u>\$ 45,315</u>	<u>\$ 43,639</u>	<u>\$ 11,351,431</u>	<u>\$ 11,257,907</u>	-0.82%

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 \$3,775,000 in general obligation bonds outstanding – a decrease of \$320,000 from last year – as shown in Figure A-9, and a net pension liability of \$1,908,303. (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
	2013/14*	2014/15	
General Obligation Bonds (Financed with Property Taxes)	\$ 4,095,000	\$ 3,775,000	-7.81%
Net Pension Liability	2,053,041	1,908,303	-7.05%
Other Long Term Liabilities	658,152	603,474	-8.31%
	<u>\$ 4,753,152</u>	<u>\$ 4,378,474</u>	-7.88%

* Restated

- The District continued to pay down its debt, retiring \$320,000 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 2014-2015 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.
- 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.
- The District has continued to sell the SRECs and checks in the amount of \$69,990.72 were received in 2015 fiscal year.

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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 901,750	\$ 3,179	\$ 904,929
Receivables from State Government	118,628	10	118,638
Receivables from Federal Government	40,886	3,280	44,166
Interfund Receivable	1,268		1,268
Internal Balances	(24,375)	24,375	
Other Receivables	11,426		11,426
Inventory		6,390	6,390
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	801,023		801,023
Capital Assets:			
Depreciable Buildings and Building Improvements, Site Improvements and Furniture, Machinery and Equipment	11,214,268	43,639	11,257,907
Total Assets	<u>13,064,874</u>	<u>80,873</u>	<u>13,145,747</u>
DEFERRED OUTFLOW OF RESOURCES			
Changes in Assumptions - Pensions	60,007		60,007
Total Deferred Outflow of Resources	<u>60,007</u>		<u>60,007</u>
LIABILITIES			
Accounts Payable	98,487	10,690	109,177
Unearned Revenue	300	2,090	2,390
Accrued Interest Payable	124,177		124,177
Unamortized Bond Premium	78,600		78,600
Noncurrent Liabilities:			
Due Within One Year	315,000		315,000
Due Beyond One Year	5,971,777		5,971,777
Total Liabilities	<u>6,588,341</u>	<u>12,780</u>	<u>6,601,121</u>
DEFERRED INFLOW OF RESOURCES			
Investment Gains - Pensions	113,725		113,725
Changes in Proportion - Pensions	88,749		88,749
Total Deferred Inflow of Resources	<u>202,474</u>		<u>202,474</u>
NET POSITION			
Net Investment in Capital Assets	7,439,268	43,639	7,482,907
Restricted for:			
Capital Projects	1,231,374		1,231,374
Debt Service	189,488		189,488
Other Purposes	79,610		79,610
Unrestricted/(Deficit)	(2,605,674)	24,454	(2,581,220)
Total Net Position	<u>\$ 6,334,066</u>	<u>\$ 68,093</u>	<u>\$ 6,402,159</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, 2015

<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>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 7,754,333		\$ 6,220,393	\$ (1,533,940)		\$ (1,533,940)
Special Education	1,374,502		836,238	(538,264)		(538,264)
Other Special Instruction	27,148			(27,148)		(27,148)
School Sponsored/Other Instruction	1,003,856		121,449	(882,407)		(882,407)
Support services:						
Tuition	1,361,590		136,063	(1,225,527)		(1,225,527)
Student & Instruction Related Services	1,705,533		102,911	(1,602,622)		(1,602,622)
General Administrative Services	497,207			(497,207)		(497,207)
School Administrative Services	571,197			(571,197)		(571,197)
Central Services	233,290			(233,290)		(233,290)
Plant Operations and Maintenance	1,383,380			(1,383,380)		(1,383,380)
Pupil Transportation	1,317,839		476,628	(841,211)		(841,211)
Interest on Long-Term Debt	178,375			(178,375)		(178,375)
Unallocated Depreciation	37,836			(37,836)		(37,836)
Capital Outlay	38,645			(38,645)		(38,645)
Total Governmental Activities	17,484,731	\$ -0-	7,893,682	(9,591,049)	\$ -0-	(9,591,049)

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<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>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Food Service	\$ 206,542	\$ 138,574	\$ 64,848		\$ (3,120)	\$ (3,120)
Total Business-Type Activities	206,542	138,574	64,848		(3,120)	(3,120)
Total Primary Government	<u>\$ 17,691,273</u>	<u>\$ 138,574</u>	<u>\$ 7,958,530</u>	<u>\$ (9,591,049)</u>	<u>\$ (3,120)</u>	<u>\$ (9,594,169)</u>

General Revenues:		
Taxes:		
Property Taxes, Levied for General Purposes, Net	\$ 9,328,312	\$ 9,328,312
Taxes Levied for Debt Service	465,218	465,218
Interest on Investments	2,142	\$ 21
Interest Earned in Capital Reserve	179	179
Miscellaneous Income	112,708	112,708
Total General Revenue	<u>9,908,559</u>	<u>9,908,580</u>
Change in Net Postion	317,510	(3,099)
Net Position - Beginning (Restated)	<u>6,016,556</u>	<u>71,192</u>
Net Position - Ending	<u>\$ 6,334,066</u>	<u>\$ 68,093</u>

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

FUND FINANCIAL STATEMENTS

WALKHILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 281,911		\$ 431,540	\$ 188,299	\$ 901,750
Receivables From State Government	118,628				118,628
Receivables From Federal Government		\$ 40,886			40,886
Interfund Receivable	26,627			1,189	27,816
Other Receivables	11,426				11,426
Restricted Cash and Cash Equivalents	801,023				801,023
Total Assets	\$ 1,239,615	\$ 40,886	\$ 431,540	\$ 189,488	\$ 1,901,529
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 83,260	\$ 15,227			\$ 98,487
Interfund Payable	24,375	25,359	\$ 1,189		50,923
Unearned Revenue		300			300
Total Liabilities	107,635	40,886	1,189		149,710
Fund Balances:					
Restricted for:					
Capital Reserve Account	801,023				801,023
Excess Surplus	33,886				33,886
Excess Surplus - For Subsequent Year's Expenditures	45,724				45,724
Capital Projects Fund			430,351		430,351
Debt Service Fund				\$ 189,488	189,488
Assigned to:					
Year-end Encumbrances	166,627				166,627
For Subsequent Year's Expenditures	84,720				84,720
Total Fund Balances	1,131,980		430,351	189,488	1,751,819
Total Liabilities and Fund Balances	\$ 1,239,615	\$ 40,886	\$ 431,540	\$ 189,488	

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 \$19,028,113 and the accumulated depreciation is \$7,813,845	11,214,268
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.	(4,378,474)
Bond Premiums are Reported as revenue in the Governmental Funds. The Premium is \$157,196 and the accumulated Amortization is \$78,596.	(78,600)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.	(124,177)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(1,908,303)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	60,007
Investment Gains - Pensions	(113,725)
Changes in Proportions - Pensions	(88,749)
Net Position of Governmental Activities	\$ 6,334,066

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 9,328,312			\$ 465,218	\$ 9,793,530
Interest on Investments	1,711				1,711
Interest Earned on Capital Reserve Funds	179				179
Unrestricted Miscellaneous	42,747		\$ 431		43,178
Total - Local Sources	9,372,949		431	465,218	9,838,598
State Sources	6,098,967				6,098,967
Federal Sources		\$ 244,795			244,795
Total Revenue	15,471,916	244,795	431	465,218	16,182,360
EXPENDITURES:					
Current:					
Regular Instruction	4,429,144	93,310			4,522,454
Special Education Instruction	771,866				771,866
Other Special Instruction	27,148				27,148
School Sponsored/Other Instruction	682,121				682,121
Support Services and Undistributed Costs:					
Tuition	1,225,527	136,063			1,361,590
Student & Instruction Related Services	1,361,348				1,361,348
General Administrative Services	411,856				411,856
School Administrative Services	438,168				438,168

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Support Services and Undistributed Costs (Cont'd):					
Central Services	\$ 186,029				\$ 186,029
Plant Operations and Maintenance	1,129,854				1,129,854
Pupil Transportation	1,317,839				1,317,839
Benefits - Allocated and Unallocated	3,197,567	\$ 15,422			3,212,989
Debt Service:					
Principal				\$ 320,000	320,000
Interest and Other Charges				146,188	146,188
Capital Outlay	298,275				298,275
Total Expenditures	<u>15,476,742</u>	<u>244,795</u>		<u>466,188</u>	<u>16,187,725</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	<u>(4,826)</u>		<u>\$ 431</u>	<u>(970)</u>	<u>(5,365)</u>
OTHER FINANCING SOURCES/(USES):					
Transfers In				431	431
Transfers Out			(431)		(431)
Cancellation of State Receivable			(30)		(30)
Sale of Solar Renewable Energy Certificates				69,991	69,991
Total Other Financing Sources/(Uses)			<u>(461)</u>	<u>70,422</u>	<u>69,961</u>
Net Change in Fund Balances	(4,826)		(30)	69,452	64,596
Fund Balance—July 1	<u>1,136,806</u>		<u>430,381</u>	<u>120,036</u>	<u>1,687,223</u>
Fund Balance—June 30	<u>\$ 1,131,980</u>	<u>\$ -0-</u>	<u>\$ 430,351</u>	<u>\$ 189,488</u>	<u>\$ 1,751,819</u>

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

WALKKILL 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, 2015

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	64,596
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	\$ (351,477)
	Capital outlays	<u>259,629</u>
		(91,848)
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.		320,000
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 (+).		54,678
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.		(43,415)
The Governmental Funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		11,228
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		144,738
Deferred Outflows:		
Changes in Assumptions		60,007
Deferred Inflows:		
Changes in Proportion		(113,725)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>(88,749)</u>
Change in Net Position of Governmental Activities (A-2)	\$	<u><u>317,510</u></u>

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, 2015

	<u>Business-type Activities - Enterprise Funds</u> <u>Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,179
Accounts Receivable:	
State	10
Federal	3,280
Interfund Receivable	24,375
Inventories	6,390
	37,234
Total Current Assets	37,234
Non-Current Assets:	
Capital Assets	103,725
Less: Accumulated Depreciation	(60,086)
	43,639
Total Non-Current Assets	43,639
Total Assets	80,873
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	10,690
Unearned Revenue	2,090
	12,780
Total Current Liabilities	12,780
<u>NET POSITION:</u>	
Net Investment in Capital Assets	43,639
Unrestricted	24,454
	68,093
Total Net Position	\$ 68,093

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, 2015

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 71,044
Daily Sales - Non-Reimbursable Programs	67,530
	138,574
Total Operating Revenue	
Operating Expenses:	
Cost of Sales	102,725
Salaries & Payroll Taxes	68,461
Employee Benefits	19,488
Management Fee	9,033
Professional and Technical Services	2,053
Depreciation Expense	1,676
Other Miscellaneous Expenses	3,106
	206,542
Total Operating Expenses	
Operating (Loss)	(67,968)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	1,842
Federal Sources:	
National School Lunch Program	53,753
Food Distribution Program	9,253
Local Sources:	
Interest on Investments	21
	64,869
Total Non-Operating Revenue	
Change in Net Position	(3,099)
Net Position - Beginning of Year	71,192
Net Position - End of Year	\$ 68,093

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, 2015

	Business-type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 138,574
Payments to Employees	(68,461)
Payments for Benefits	(19,488)
Payments to Food Service Vendor	(9,033)
Payments to Suppliers	(109,615)
	(68,023)
Net Cash Used for Operating Activities	(68,023)
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	56,325
	56,325
Net Cash Provided by Noncapital Financing Activities	56,325
Cash Flows from Investing Activities:	
Investment Income	21
	21
Net Cash Flows Provided by Investing Activities	21
Net Decrease in Cash and Cash Equivalents	(11,767)
Cash and Cash Equivalents, July 1	14,946
Cash and Cash Equivalents, June 30	\$ 3,179
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (67,968)
Adjustment to Reconcile Operating Loss to Net Cash used for Operating Activities:	
Federal Food Distribution Program	9,253
Depreciation	1,676
Changes in Assets and Liabilities:	
(Increase) in Inventory	(615)
(Increase) in Interfund Receivable	(8,597)
(Decrease) in Accounts Payable	(2,397)
Increase in Unearned Revenue	625
	625
Net Cash Used for Operating Activities	\$ (68,023)

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 \$9,878 and utilized commodities valued at \$9,253.

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, 2015

	<u>Payroll Agency</u>	<u>Student Activity</u>	<u>Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 18,920	\$ 116,772	\$ 57,275	\$ 7,813	\$ 200,780
Total Assets	<u>18,920</u>	<u>116,772</u>	<u>57,275</u>	<u>7,813</u>	<u>200,780</u>
<u>LIABILITIES:</u>					
Net Salaries and Wages	1,587				1,587
Payroll Deductions and Withholdings	16,065				16,065
Interfund Payable - General Fund	1,268				1,268
Due to Student Groups		116,772			116,772
Total Liabilities	<u>18,920</u>	<u>116,772</u>			<u>135,692</u>
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				7,813	7,813
Restricted For Scholarships			57,275		57,275
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 57,275</u>	<u>\$ 7,813</u>	<u>\$ 65,088</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, 2015

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Other		\$ 5,121	\$ 5,121
Total Contributions		<u>5,121</u>	<u>5,121</u>
Investment Earnings:			
Interest	\$ 8	118	126
Net Investment Earnings	<u>8</u>	<u>118</u>	<u>126</u>
Total Additions	<u>8</u>	<u>5,239</u>	<u>5,247</u>
Change in Net Position	8	5,239	5,247
Net Position - Beginning of the Year	<u>7,805</u>	<u>52,036</u>	<u>59,841</u>
Net Position - End of the Year	<u><u>\$ 7,813</u></u>	<u><u>\$ 57,275</u></u>	<u><u>\$ 65,088</u></u>

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, 2015

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, 2015
 (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 non-instructional equipment which are classified in the capital outlay sub-fund.

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, 2015
(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 an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, 2015 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.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 15,481,851	\$ 244,795
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	456,475	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(466,410)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 15,471,916	\$ 244,795
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,476,742	\$ 244,795
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 15,476,742	\$ 244,795

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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.

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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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, 2015.

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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

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

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, 2015.

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.

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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

P. Fund Balance Appropriated:

General Fund: Of the \$1,131,980 General Fund fund balance at June 30, 2015, \$166,627 is assigned for year-end encumbrances; \$801,023 is restricted for the capital reserve account; \$33,886 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, 2017; \$45,724 is the prior year excess surplus and has been restricted for and included as anticipated revenue for the year ending June 30, 2016; \$84,720 is assigned for subsequent year's expenditures which is \$98,792 less on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2016; and \$0 is unassigned which is \$367,618 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, 2016.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2015 of \$189,488 is restricted.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2015 of \$430,351 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, 2015 as noted above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$466,410 (\$367,618 in unassigned fund balance and \$98,792 in fund balance assigned for subsequent year's expenditures), as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the 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.

Q. Deficit Net Position

The District has a \$2,605,674 deficit in its governmental activities Unrestricted Net Position at June 30, 2015 primarily due to a result of the accrual of interest, an increase in compensated absences payable, investment gains in pensions of \$113,725, changes in proportion in pensions of \$88,749 and net pension liability of \$1,908,303; offset by the assigned General Fund fund balances and changes in pension assumptions of \$60,007. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources for investment gains and changes in proportion in investments in pensions and outflows of resources for changes in assumptions in pensions at June 30, 2015.

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.

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, 2015.

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, 2015.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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.

V. Management Estimates:

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

W. Pensions

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

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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 below and 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:

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;

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

Investments: (Cont'd)

- (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.

As of June 30, 2015, cash and cash equivalents 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	\$ 1,105,709	\$ 801,023	\$ 1,906,732
	<u>\$ 1,105,709</u>	<u>\$ 801,023</u>	<u>\$ 1,906,732</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$1,906,732 and the bank balance was \$2,469,598.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 580,844
Increased by:	
Board resolution June 23, 2015	400,000
Interest Earnings	179
Budgeted Withdrawal	<u>(180,000)</u>
Ending Balance, June 30, 2015	<u>\$ 801,023</u>

The June 30, 2015 Long Range Facilities Plan (LRFP) balance of local support costs of uncompleted capital projects at June 30, 2015 is equal to or greater than \$801,023. There was a budgeted withdrawal from the capital reserve account, in the amount of \$180,000 for use in a DOE approved facilities project, consistent with the District's LRFP.

NOTE 5. TRANSFER TO CAPITAL OUTLAY:

During the year ended June 30, 2015, the District made transfers to capital outlay accounts in the amount of \$12,022 for equipment which did not require county superintendent approval.

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 73,130
Other Instruction	41,977
General Administrative Services	70,478
School Administrative Services	18,571
Plant Operation and Maintenance	109,485
Unallocated	<u>37,836</u>
	<u>\$ 351,477</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings, Building Improvements and Site Improvements	\$ 17,574,444	\$ 179,050		\$ 17,753,494
Machinery and Equipment	1,194,040	80,579		1,274,619
Total Capital Assets Being Depreciated	<u>18,768,484</u>	<u>259,629</u>		<u>19,028,113</u>
Governmental Activities Capital Assets	<u>18,768,484</u>	<u>259,629</u>		<u>19,028,113</u>
Less Accumulated Depreciation for:				
Buildings, Building Improvements and Site Improvements	(6,910,037)	(303,946)		(7,213,983)
Machinery and Equipment	(552,331)	(47,531)		(599,862)
	<u>(7,462,368)</u>	<u>(351,477)</u>		<u>(7,813,845)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 11,306,116</u>	<u>\$ (91,848)</u>	<u>\$ -0-</u>	<u>\$ 11,214,268</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 103,725			\$ 103,725
Less Accumulated Depreciation	(58,410)	\$ (1,676)		(60,086)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 45,315</u>	<u>\$ (1,676)</u>	<u>\$ -0-</u>	<u>\$ 43,639</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance 6/30/2014*</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/2015</u>
Bond Payable	\$ 4,095,000		\$ 320,000	\$ 3,775,000
Compensated Absences Payable	658,152	\$ 69,550	124,228	603,474
Net Pension Liability	2,053,041		144,738	1,908,303
	<u>\$ 4,753,152</u>	<u>\$ 69,550</u>	<u>\$ 444,228</u>	<u>\$ 6,286,777</u>

* Restated

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

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 outstanding as of June 30, 2015 as follows:

<u>Maturity Date</u>	<u>Serial Bonds Interest Rate</u>	<u>Amount</u>
7/15/2021	4.00%-5.00%	\$ 1,645,000
9/1/2031	2.00%-3.750%	2,130,000
		<u>\$ 3,775,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 315,000	\$ 134,394	\$ 449,394
2017	325,000	121,450	446,450
2018	335,000	107,875	442,875
2019	340,000	95,250	435,250
2020	340,000	83,194	423,194
2021-2025	1,085,000	257,756	1,342,756
2026-2030	725,000	123,313	848,313
2031-2032	310,000	11,437	321,437
	<u>\$ 3,775,000</u>	<u>\$ 934,669</u>	<u>\$ 4,709,669</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 in-substance debt defeasance and the school bonds were eliminated from the District's government-wide financial statements.

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.

B. Capital Leases Payable:

The District had no capital leases payable at June 30, 2015.

C. Bonds and Notes Authorized but not Issued

The District had no bonds and notes authorized by not issued at June 30, 2015.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

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 \$603,474. 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, 2015, no liability existed for compensated absences in the Food Service Fund.

E. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long term portion is \$1,908,303. See Note 8 for further information on the PERS.

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; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$81,797 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the District reported a liability of \$1,908,303 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.010%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$84,025. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 60,007	
Changes in Proportion		\$ 88,749
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		113,725
	\$ 60,007	\$ 202,474

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

Fiscal Year Ending June 30,	Total
2015	\$ (17,400)
2016	(17,400)
2017	(17,400)
2018	(17,400)
2019	11,030
Thereafter	4,852
	\$ (53,718)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 2,400,711	\$ 1,908,303	\$ 1,494,807

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount. The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$339,400 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,889,320.

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$35,111,347. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.066%, which was a decrease of 0.002% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		35,111,347
Total	\$	35,111,347

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$1,889,320 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		1,741,236,574
	<u>\$ 2,306,623,861</u>	<u>\$ 1,763,205,593</u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 is summarized in the following table:

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-U.S. Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad U.S. Equities	25.90%	5.88%
Large CAP U.S. Equities	0.00%	5.62%
Mid CAP U.S. Equities	0.00%	6.39%
Small CAP U.S. Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1%	Current	1%
	Decrease (3.68%)	Discount Rate (4.68%)	Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$1,987 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$3,642 for the fiscal year ended June 30, 2015.

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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you go basis beginning in fiscal year 1994.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. POST-RETIREMENT BENEFITS (Cont'd)

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$538,797, \$455,670, and \$498,564 for 2015, 2014, and 2013, 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 Schools 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.

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.

The audit of the NJSIG as of June 30, 2015 is not available as of the date of this report. Selected, summarized financial information for the NJSIG as of June 30, 2014 is as follows:

	<u>New Jersey Schools Insurance Group (NJSIG)</u>
Total Assets	\$ 293,795,686
Net Position	\$ 66,169,762
Total Revenue	\$ 120,623,875
Total Expenses	\$ 119,843,435
Change in Net Position	\$ 780,440
Member Dividends	\$ -0-

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

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

New Jersey Schools Insurance Group
450 Veterans Drive
Burlington, NJ 08016
(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>
2014-2015	\$ -0-	\$ 8	\$ -0-	\$ -0-	\$ 7,813
2013-2014	-0-	8	-0-	-0-	7,805
2012-2013	-0-	8	-0-	-0-	7,797

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, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 26,627	\$ 24,375
Special Revenue Fund		25,359
Capital Projects Fund		1,189
Debt Service Fund	1,189	
Payroll Agency Fund		1,268
Enterprise Fund - Food Service	24,375	
	<u>\$ 52,191</u>	<u>\$ 52,191</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 \$1,189 due from the Capital Projects Fund to the Debt Service Fund for interest earned in the current and prior years which was not transferred. \$24,375 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. The Interfund between the General Fund and Payroll Agency Fund is for excess funds transferred to Payroll Agency Fund from the General Fund.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 13. ACCOUNTS PAYABLE

Payables as of June 30, 2015, were:

	<u>Governmental-Type Activities</u>		Total	Total
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Governmental Type-Activities</u>	<u>Business Type-Activities</u>
Vendors	\$ 83,260	\$ 15,227	\$ 98,487	\$ 10,690
	<u>\$ 83,260</u>	<u>\$ 15,227</u>	<u>\$ 98,487</u>	<u>\$ 10,690</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	Lincoln National
Equitable Financial Companies	Siracusa Benefits
Metropolitan Life	

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 LIABILITIESGrant 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Type-Activities
\$ 166,627	\$ 166,627
\$ 166,627	\$ 166,627

NOTE 17. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
<u>Statement of Net Position:</u>			
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 4,753,152	\$ 2,053,041	\$ 6,806,193
Total Liabilities	5,032,355	2,053,041	7,085,396
Net Position:			
Unrestricted/(Deficit)	(406,192)	(2,053,041)	(2,459,233)
Total Net Position	8,069,567	(2,053,041)	6,016,526

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0107421625%	0.0101924394%
District's proportionate share of the net pension liability	\$ 2,053,041	\$ 1,908,303
District's covered employee payroll	\$ 728,610	\$ 737,311
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	281.78%	258.82%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 80,940	\$ 84,025
Contributions in relation to the contractually required contribution	<u>(80,940)</u>	<u>(84,025)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 728,610	\$ 737,311
Contributions as a percentage of covered employee payroll	11.11%	11.40%

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

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WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable to the District	0.0682367109%	0.0656940797%
State's proportionate share of the net pension liability attributable to the District	\$ 34,486,297	\$ 35,111,347
District's covered employee payroll	\$ 5,840,104	\$ 5,832,327
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	590.51%	602.01%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

BUDGETARY COMPARISON SCHEDULES

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,328,312		\$ 9,328,312	\$ 9,328,312	
Interest Earned	1,000		1,000	1,711	\$ 711
Interest Earned on Capital Reserve Funds	1		1	179	178
Unrestricted Miscellaneous				42,747	42,747
Total - Local Sources	9,329,313		9,329,313	9,372,949	43,636
State Sources:					
School Choice	92,430		92,430	92,430	
Transportation Aid	466,818		466,818	466,818	
Special Education Aid	415,991		415,991	415,991	
Equalization Aid	2,932,866		2,932,866	2,932,866	
Security Aid	67,110		67,110	67,110	
Adjustment Aid	718,835		718,835	718,835	
PARCC Readiness Aid	6,580		6,580	6,580	
Per Pupil Growth Aid	6,580		6,580	6,580	
Extraordinary Aid	4,000		4,000	78,540	74,540
Non-public Transportation Aid				9,810	9,810
On-Behalf TPAF Pension Payments (Non-Budgeted)				339,400	339,400
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				538,797	538,797
TPAF Social Security (Reimbursed - Non-Budgeted)				435,145	435,145
Total State Sources	4,711,210		4,711,210	6,108,902	1,397,692
TOTAL REVENUES	14,040,523		14,040,523	15,481,851	1,441,328

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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	\$ 3,985,035	\$ 48,826	\$ 4,033,861	\$ 4,033,861	
Regular Programs - Home Instruction:					
Salaries of Teachers	8,400	(4,492)	3,908	1,302	\$ 2,606
Purchased Professional/Educational Services	15,000	530	15,530	15,530	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	5,350	19,992	25,342	25,342	
Other Purchased Services (400-500 series)	42,624	13,846	56,470	55,378	1,092
General Supplies	172,953	111,397	284,350	239,584	44,766
Textbooks	26,500	26,888	53,388	47,802	5,586
Other Objects	5,300	6,389	11,689	10,345	1,344
Total Regular Programs - Instruction	<u>4,261,162</u>	<u>223,376</u>	<u>4,484,538</u>	<u>4,429,144</u>	<u>55,394</u>
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	761,223	7,897	769,120	769,120	
Other Purchased Services (400-500 Series)	600	239	839	839	
General Supplies	4,000	(2,093)	1,907	1,907	
Total Resource Room/Resource Center	<u>765,823</u>	<u>6,043</u>	<u>771,866</u>	<u>771,866</u>	
Total Special Education Instruction	<u>765,823</u>	<u>6,043</u>	<u>771,866</u>	<u>771,866</u>	

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(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	\$ 20,869	\$ 6,279	\$ 27,148	\$ 27,148	
General Supplies	450	(450)			
Total Basic Skills/Remedial - Instruction	<u>21,319</u>	<u>5,829</u>	<u>27,148</u>	<u>27,148</u>	
Bilingual Education - Instruction:					
Salaries of Teachers	5,000	(5,000)			
General Supplies	200		200		\$ 200
Total Bilingual Education - Instruction	<u>5,200</u>	<u>(5,000)</u>	<u>200</u>		<u>200</u>
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries	66,485		66,485	66,472	13
Transfer to Cover Deficit	28,000		28,000	28,000	
Other Purchased Services		1,800	1,800	1,800	
Supplies and Materials		891	891		891
Total School-Sponsored Co-Curricular Activities - Instruction	<u>94,485</u>	<u>2,691</u>	<u>97,176</u>	<u>96,272</u>	<u>904</u>
School-Sponsored Co-Curricular Athletics - Instruction:					
Salaries	324,564	(7,522)	317,042	317,042	
Other Purchased Services	145,000	9,563	154,563	153,314	1,249
Supplies and Materials	86,502	8,388	94,890	89,212	5,678
Other Objects	26,000	281	26,281	26,281	
Total School-Sponsored Co-Curricular Athletics - Instruction	<u>582,066</u>	<u>10,710</u>	<u>592,776</u>	<u>585,849</u>	<u>6,927</u>
Total Instruction	<u>5,730,055</u>	<u>243,649</u>	<u>5,973,704</u>	<u>5,910,279</u>	<u>63,425</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 104,543	\$ (30,213)	\$ 74,330	\$ 58,941	\$ 15,389
Tuition - State Facilities	4,500		4,500	4,500	
Tuition to County Vocational School District - Regular	334,917	1,050	335,967	328,650	7,317
Tuition - Other		26,422	26,422	26,422	
Tuition to Private Schools for the Disabled Within State	1,041,850	(149,774)	892,076	756,064	136,012
Tuition to Private Schools for the Disabled Out of State		50,950	50,950	50,950	
Total Undistributed Expenditures - Instruction	<u>1,485,810</u>	<u>(101,565)</u>	<u>1,384,245</u>	<u>1,225,527</u>	<u>158,718</u>
Health Services:					
Salaries	60,663	246	60,909	60,909	
Purchased Professional/Technical Services	11,500	(118)	11,382	710	10,672
Other Purchased Services (400-500 series)	300	(43)	257	195	62
Supplies and Materials	2,550	75	2,625	2,625	
Other Objects	200	(160)	40	40	
Total Health Services	<u>75,213</u>		<u>75,213</u>	<u>64,479</u>	<u>10,734</u>
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	10,000	5,804	15,804	15,626	178
Total Speech, OT, PT and Related Services	<u>10,000</u>	<u>5,804</u>	<u>15,804</u>	<u>15,626</u>	<u>178</u>
Other Support Services - Students - Extra Services:					
Salaries	85,888	8,162	94,050	85,138	8,912
Purchased Professional - Educational Services		102,703	102,703	70,918	31,785
Total Other Support Services - Students - Extra Services	<u>85,888</u>	<u>110,865</u>	<u>196,753</u>	<u>156,056</u>	<u>40,697</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Guidance:					
Salaries of Other Professional Staff	\$ 451,154	\$ (14,812)	\$ 436,342	\$ 418,833	\$ 17,509
Salaries of Secretaries and Clerical Assistants	34,299	5,881	40,180	38,255	1,925
Purchased Professional/Educational Services		4,130	4,130	4,130	
Other Purchased Professional/Technical Services	73,500	(70,000)	3,500	545	2,955
Other Purchased Services (400-500 series)	14,055	(929)	13,126	10,873	2,253
Supplies and Materials	42,650	(21,965)	20,685	15,663	5,022
Other Objects	1,550		1,550	1,402	148
Total Guidance	617,208	(97,695)	519,513	489,701	29,812
Child Study Teams:					
Salaries of Other Professional Staff	231,396	41,309	272,705	272,705	
Salaries of Secretarial and Clerical Assistants	35,344	3,763	39,107	36,591	2,516
Miscellaneous Purchased Services	1,200	3,835	5,035	4,812	223
Supplies and Materials	4,700	(585)	4,115	3,489	626
Other Objects	4,150	(3,250)	900	513	387
Total Child Study Teams	276,790	45,072	321,862	318,110	3,752
Improvement of Instructional Services:					
Salaries of Other Professional Staff	7,000	75,720	82,720	75,720	7,000
Purchased Professional/Educational Services	845		845	362	
Other Purchased Services (400-500 series)	25		25		
Total Improvement of Instructional Services	7,870	75,720	83,590	76,082	7,508

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Educational Media Services/School Library:					
Salaries	\$ 124,650	\$ 1,545	\$ 126,195	\$ 123,224	\$ 2,971
Purchased Professional/Technical Services	20,000	72,621	92,621	92,621	
Other Purchased Services (400-500 series)	500	4,562	5,062	4,654	408
Supplies and Materials	16,050	(1,345)	14,705	13,490	1,215
Other Objects	50	15	65	65	
Total Educational Media Services/School Library	161,250	77,398	238,648	234,054	4,594
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	75,720	(75,720)			
Purchased Professional/Educational Services	6,000		6,000	3,500	2,500
Other Purchased Services	9,447		9,447	3,740	5,707
Total Instructional Staff Training Services	91,167	(75,720)	15,447	7,240	8,207
Support Services - General Administration:					
Salaries	238,445	(45,769)	192,676	192,556	120
Legal Services	20,000	(2,408)	17,592	17,592	
Audit Fees	27,250	5,260	32,510	32,510	
Architectural / Engineering Fee		11,800	11,800	11,800	
Other Purchased Professional Services	2,500	30,372	32,872	32,872	
Purchased Technical Services	2,000	5,459	7,459	7,459	
Communications/Telephones	21,250	9,455	30,705	30,705	
Board of Education Other Purchased Services	2,210	90	2,300	2,300	
Other Purchased Services (400-500 series)	74,624	1,065	75,689	75,689	
General Supplies	2,000	65	2,065	2,065	
Miscellaneous Expenditures	2,400	(1,182)	1,218	1,188	30
BOE Membership Dues and Fees	5,000	120	5,120	5,120	
Total Support Services - General Administration	397,679	14,327	412,006	411,856	150

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 313,090		\$ 313,090	\$ 313,090	
Salaries of Secretarial and Clerical Assistants	102,375	\$ (1,413)	100,962	100,962	
Purchased Professional/Technical Services	4,200	(4,200)			
Tuition		3,600	3,600	2,000	\$ 1,600
Other Purchased Services (400-500 series)	6,500	(4,644)	1,856	1,856	
Supplies and Materials	12,000	862	12,862	12,673	189
Other Objects	5,000	2,587	7,587	7,587	
Total Support Services - School Administration	443,165	(3,208)	439,957	438,168	1,789
Central Services:					
Salaries	158,909	14,893	173,802	173,802	
Purchased Technical Services	7,000	1,345	8,345	8,345	
Other Purchased Services (400-500 series)	900	1,208	2,108	1,938	170
Supplies and Materials	1,500	(695)	805	704	101
Miscellaneous Expenditures	1,300		1,300	1,240	60
Total Central Services	169,609	16,751	186,360	186,029	331
Required Maintenance of School Facilities:					
Salaries	65,627		65,627	65,627	
Cleaning, Repair and Maintenance Services	66,000	127,411	193,411	139,715	53,696
General Supplies	25,800	72,593	98,393	98,293	100
Total Required Maintenance of School Facilities	157,427	200,004	357,431	303,635	53,796

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Custodial Services:					
Salaries	\$ 419,376	\$ 32,141	\$ 451,517	\$ 450,252	\$ 1,265
Purchased Professional/Technical Services	8,000		8,000	4,930	3,070
Cleaning, Repair and Maintenance Services	108,000	(45,112)	62,888	53,907	8,981
Other Purchased Property Services (400-500 series)	23,000		23,000	15,777	7,223
Insurance	42,046	3,257	45,303	45,303	
Miscellaneous Purchased Services	2,600		2,600	2,009	591
General Supplies	88,859	(13,497)	75,362	68,888	6,474
Energy (Electricity)	391,601	(227,567)	164,034	159,939	4,095
Other Objects	3,187	819	4,006	4,006	
Total Custodial Services	<u>1,086,669</u>	<u>(249,959)</u>	<u>836,710</u>	<u>805,011</u>	<u>31,699</u>
Care and Upkeep of Grounds:					
Contracted Services		2,682	2,682	1,820	862
Supplies & Materials		19,550	19,550	19,388	162
Total Care and Upkeep of Grounds		<u>22,232</u>	<u>22,232</u>	<u>21,208</u>	<u>1,024</u>
Student Transportation Services:					
Management Fee - ESC & CTSA Transportation Program	21,000	3,546	24,546	24,546	
Contracted Services:					
Between Home and School - Vendors	719,845	(454)	719,391	714,984	4,407
Other than Between Home and School - Vendors	97,400	7,215	104,615	103,290	1,325
Reg. Students - ESCs & CTSA	170,000		170,000	162,498	7,502
Spl. Ed. Students - ESCs & CTSA	406,672	(54,170)	352,502	311,637	40,865
Special Education Students - Vendors	16,490		16,490		16,490
Aid In Lieu Payments - Non Public Schools	4,420		4,420	884	3,536
Total Student Transportation Services	<u>1,435,827</u>	<u>(43,863)</u>	<u>1,391,964</u>	<u>1,317,839</u>	<u>74,125</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Unallocated Benefits:					
Social Security Contributions	\$ 120,556	\$ 17,170	\$ 137,726	\$ 137,726	
Other Retirement Contributions - PERS	90,608	(4,968)	85,640	84,025	\$ 1,615
Other Retirement Contributions - DCRP		2,000	2,000	1,987	13
Unemployment Compensation	24,971		24,971	23,292	1,679
Workmen's Compensation	82,994	(18,059)	64,935	64,935	
Health Benefits	1,405,965	(171,030)	1,234,935	1,226,634	8,301
Tuition Reimbursement	32,500		32,500	6,600	25,900
Other Employee Benefits	428,356	(76,947)	351,409	339,026	12,383
Total Unallocated Benefits	<u>2,185,950</u>	<u>(251,834)</u>	<u>1,934,116</u>	<u>1,884,225</u>	<u>49,891</u>
On-Behalf Contributions:					
On-Behalf TPAF Pension Payments (Non-Budgeted)				339,400	(339,400)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				538,797	(538,797)
TPAF Social Security (Reimbursed - Non-Budgeted)				435,145	(435,145)
Total On-Behalf Contributions				<u>1,313,342</u>	<u>(1,313,342)</u>
Total Personal Services - Employee Benefits	<u>2,185,950</u>	<u>(251,834)</u>	<u>1,934,116</u>	<u>3,197,567</u>	<u>(1,263,451)</u>
Total Undistributed Expenses	<u>8,687,522</u>	<u>(255,671)</u>	<u>8,431,851</u>	<u>9,268,188</u>	<u>(836,337)</u>
TOTAL CURRENT EXPENSE	<u>14,417,577</u>	<u>(12,022)</u>	<u>14,405,555</u>	<u>15,178,467</u>	<u>(772,912)</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Unaudited)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	\$ 4,700	\$ 9,263	\$ 13,963	\$ 11,026	\$ 2,937
School - Sponsored and Other Instructional Program	6,000		6,000		6,000
Resource Room		2,759	2,759	2,759	
Security	35,991		35,991	35,991	
Custodial Services	60,978		60,978	30,803	30,175
Total Equipment	<u>107,669</u>	<u>12,022</u>	<u>119,691</u>	<u>80,579</u>	<u>39,112</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		3,300	3,300	3,300	
Construction Services	180,000	(3,300)	176,700	175,750	950
Other Objects (Debt Service Assessment)	38,647		38,647	38,646	1
Total Facilities Acquisition and Construction Services	<u>218,647</u>		<u>218,647</u>	<u>217,696</u>	<u>951</u>
TOTAL CAPITAL OUTLAY	<u>326,316</u>	<u>12,022</u>	<u>338,338</u>	<u>298,275</u>	<u>40,063</u>
EXPENDITURES:					
Transfer of Funds to Charter Schools	<u>13,783</u>	<u>(13,783)</u>			
TOTAL EXPENDITURES	<u>14,757,676</u>	<u>(13,783)</u>	<u>14,743,893</u>	<u>15,476,742</u>	<u>(732,849)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(717,153)</u>	<u>13,783</u>	<u>(703,370)</u>	<u>5,109</u>	<u>708,479</u>
Fund Balance, July 1	<u>1,593,281</u>		<u>1,593,281</u>	<u>1,593,281</u>	
Fund Balance, June 30	<u>\$ 876,128</u>	<u>\$ 13,783</u>	<u>\$ 889,911</u>	<u>\$ 1,598,390</u>	<u>\$ 708,479</u>
Recapitulation:					
Restricted for:					
Capital Reserve				\$ 801,023	
Excess Surplus				33,886	
Excess Surplus - For Subsequent Year's Expenditures				45,724	
Assigned to:					
Year-end Encumbrances				166,627	
For Subsequent Year's Expenditures				183,512	
Unassigned				<u>367,618</u>	
				1,598,390	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP basis				<u>(466,410)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,131,980</u>	

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 9,400	\$ 9,400	\$ 9,100	
Federal Sources	\$ 210,365	28,058	238,423	235,695	\$ (2,728)
Total Revenues	210,365	37,458	247,823	244,795	(2,728)
EXPENDITURES:					
Instruction					
Salaries of Teachers	87,406	(18,374)	69,032	69,032	
Tuition	122,959	13,104	136,063	136,063	
Other Purchased Services		9,300	9,300	9,000	300
General Supplies		15,278	15,278	15,278	
Total Instruction	210,365	19,308	229,673	229,373	300
Support Services					
Personal Service - Employee Benefits		18,150	18,150	15,422	2,728
Total Support Services		18,150	18,150	15,422	2,728
Total Expenditures	210,365	37,458	247,823	244,795	3,028
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (300)

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Unaudited)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 15,481,851	\$ 244,795
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	456,475	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(466,410)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 15,471,916	\$ 244,795
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 15,476,742	\$ 244,795
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 15,476,742	\$ 244,795

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, 2015 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)l. 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 payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>No Child Left Behind</u>		IDEA Part - B Basic	Perkins Vocational Education	Various Local Grants	Total
	<u>Title I</u>	<u>Title IIA</u>				
REVENUE:						
Local Sources					\$ 9,100	\$ 9,100
Federal Sources	\$ 71,345	\$ 13,182	\$ 136,063	\$ 15,105		235,695
Total Revenue	<u>71,345</u>	<u>13,182</u>	<u>136,063</u>	<u>15,105</u>	<u>9,100</u>	<u>244,795</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	58,252	10,780				69,032
Other Purchased Services					9,000	9,000
Tuition			136,063			136,063
General Supplies		73		15,105	100	15,278
Total Instruction	<u>58,252</u>	<u>10,853</u>	<u>136,063</u>	<u>15,105</u>	<u>9,100</u>	<u>229,373</u>
Support Services:						
Personal Service - Employee Benefits	13,093	2,329				15,422
Total Support Services	<u>13,093</u>	<u>2,329</u>				<u>15,422</u>
Total Expenditures	<u>\$ 71,345</u>	<u>\$ 13,182</u>	<u>\$ 136,063</u>	<u>\$ 15,105</u>	<u>\$ 9,100</u>	<u>\$ 244,795</u>

CAPITAL PROJECTS FUND

WALLKILL 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, 2015

Revenue and Other Financing Sources:	
Interest Income	\$ 431
	<hr/>
Total Revenue and Other Financing Sources	431
	<hr/>
Other Financing Uses:	
Transfer to Debt Service Fund	431
Cancellation of State Receivable	30
	<hr/>
Total Other Financing Uses	461
	<hr/>
Fund Balance - Beginning of Year	430,381
	<hr/>
Fund Balance - End of Year	\$ 430,351
	<hr/> <hr/>
Reconciliation of Fund Balance:	
Fund Balance - Budgetary Basis	\$ 430,351
	<hr/>
Fund Balance - GAAP Basis	\$ 430,351
	<hr/> <hr/>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ADDITIONS AND RENOVATIONS TO WALLKILL VALLEY REGIONAL HIGH SCHOOL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 2,896,597	\$ (30)	\$ 2,896,567	\$ 2,922,597
Bond Proceeds and Transfers	4,753,000		4,753,000	4,727,000
Miscellaneous	3		3	3
Total Revenue and Other Financing Sources	<u>7,649,600</u>	<u>(30)</u>	<u>7,649,570</u>	<u>7,649,600</u>
Expenditures and Other Financing Uses:				
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	2,152,852		2,152,852	
Total Expenditures and Other Financing Uses	<u>7,567,811</u>		<u>7,567,811</u>	<u>7,649,600</u>
Excess/(Deficit) of Revenue and Other Financing Sources				
Over/(Under) Expenditures and Other Financing Uses	<u>\$ 81,789</u>	<u>\$ (30)</u>	<u>\$ 81,759</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number:	20-2003,20-2004,20-2005
Additions and Renovations to Wallkill Valley Regional High School	
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	7,649,600
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

WALLKILL 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, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 3,300,000		\$ 3,300,000	\$ 3,300,000
Total Revenue and Other Financing Sources	3,300,000		3,300,000	3,300,000
Expenditures:				
Purchased Professional and Technical Services	379,861		379,861	500,000
Construction Services	2,440,418		2,440,418	2,415,000
Miscellaneous Costs	131,129		131,129	385,000
Total Expenditures	2,951,408		2,951,408	3,300,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 348,592	\$ -0-	\$ 348,592	\$ -0-

Additional Project Information:

Project Number:

Solar Photovoltaic Project

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, 2015

ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 3,179
Accounts Receivable:	
State	10
Federal	3,280
Interfund Receivable	24,375
Inventories	6,390
	<hr/>
Total Current Assets	37,234
Non-Current Assets:	
Capital Assets	103,725
Less: Accumulated Depreciation	(60,086)
	<hr/>
Total Non-Current Assets	43,639
	<hr/>
Total Assets	80,873

LIABILITIES:

Current Liabilities:	
Accounts Payable	10,690
Unearned Revenue	2,090
	<hr/>
Total Current Liabilities	12,780

NET POSITION:

Net Investment in Capital Assets	43,639
Unrestricted	24,454
	<hr/>
Total Net Position	<u>\$ 68,093</u>

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, 2015

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 71,044
Daily Sales - Non Reimbursable Programs	67,530
	<hr/>
Total Operating Revenue	138,574
	<hr/>
Operating Expenses:	
Cost of Sales	102,725
Salaries & Payroll Taxes	68,461
Employee Benefits	19,488
Management Fee	9,033
Professional and Technical Services	2,053
Depreciation Expense	1,676
Other Miscellaneous Expenses	3,106
	<hr/>
Total Operating Expenses	206,542
	<hr/>
Operating (Loss)	(67,968)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	1,842
Federal Sources:	
National School Lunch Program	53,753
Food Distribution Program	9,253
Local Sources:	
Interest Income	21
	<hr/>
Total Non-Operating Revenue	64,869
	<hr/>
Change in Net Position	(3,099)
	<hr/>
Net Position - Beginning of Year	71,192
	<hr/>
Net Position - End of Year	\$ 68,093
	<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, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 138,574
Payments to Employees	(68,461)
Payments for Benefits	(19,488)
Payments to Food Service Vendor	(9,033)
Payments to Suppliers	<u>(109,615)</u>
Net Cash Used for Operating Activities	<u>(68,023)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>56,235</u>
Net Cash Provided by Noncapital Financing Activities	<u>56,235</u>
Cash Flows from Investing Activities:	
Investment Income	<u>21</u>
Net Cash Flows Provided by Investing Activities:	<u>21</u>
Net Decrease in Cash and Cash Equivalents	(11,767)
Cash and Cash Equivalents, July 1	<u>14,946</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 3,179</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (67,968)
Adjustment to Reconcile Operating Loss to Net Cash used for Operating Activities:	
Federal Food Distribution Program	9,253
Depreciation	1,676
Changes in Assets and Liabilities:	
(Increase) in Inventory	(615)
(Increase) in Interfund Receivable	(8,597)
(Decrease) in Accounts Payable	(2,397)
Increase in Unearned Revenue	<u>625</u>
Net Cash Used for Operating Activities	<u><u>\$ (68,023)</u></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 \$9,878 and utilized commodities valued at \$9,253.

FIDUCIARY FUNDS

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Payroll Agency	Student Activity	Scholarship Trust	Unemployment Compensation Trust	Totals
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 18,920	\$ 116,772	\$ 57,275	\$ 7,813	\$ 200,780
Total Assets	18,920	116,772	57,275	7,813	200,780
<u>LIABILITIES:</u>					
Net Salaries and Wages	1,587				1,587
Payroll Deductions and Withholdings	16,065				16,065
Interfund Payable General Fund	1,268				1,268
Due to Student Groups		116,772			116,772
Total Liabilities	18,920	116,772			135,692
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				7,813	7,813
Restricted For Scholarships			57,275		57,275
Total Net Position	\$ -0-	\$ -0-	\$ 57,275	\$ 7,813	\$ 65,088

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, 2015

	Unemployment Compensation Trust	Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Other	<u> </u>	\$ 5,121	\$ 5,121
Total Contributions	<u> </u>	5,121	5,121
Investment Earnings:			
Interest	\$ 8	118	126
Net Investment Earnings	<u>8</u>	<u>118</u>	<u>126</u>
Total Additions	<u>8</u>	<u>5,239</u>	<u>5,247</u>
Change in Net Position	8	5,239	5,247
Net Position - Beginning of the Year	<u>7,805</u>	<u>52,036</u>	<u>59,841</u>
Net Position - End of the Year	<u>\$ 7,813</u>	<u>\$ 57,275</u>	<u>\$ 65,088</u>

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, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 118,793	\$ 430,828	\$ 432,849	\$ 116,772
Total Assets	<u>\$ 118,793</u>	<u>\$ 430,828</u>	<u>\$ 432,849</u>	<u>\$ 116,772</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 116,730	\$ 430,828	\$ 430,786	\$ 116,772
Accounts Payable	<u>2,063</u>		<u>2,063</u>	
Total Liabilities	<u>\$ 118,793</u>	<u>\$ 430,828</u>	<u>\$ 432,849</u>	<u>\$ 116,772</u>

Exhibit H-4

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Cash</u> <u>Additions</u>	<u>Cash</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
High School:				
Athletic	\$ 1,193	\$ 51,941	\$ 53,014	\$ 120
Activity	<u>117,600</u>	<u>378,887</u>	<u>379,835</u>	<u>116,652</u>
Total	<u>\$ 118,793</u>	<u>\$ 430,828</u>	<u>\$ 432,849</u>	<u>\$ 116,772</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, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 21,630	\$ 8,743,125	\$ 8,745,835	\$ 18,920
Interfund Receivable General Fund	35		35	
Total Assets	<u>\$ 21,665</u>	<u>\$ 8,743,125</u>	<u>\$ 8,745,870</u>	<u>\$ 18,920</u>
 <u>LIABILITIES:</u>				
Net Salaries and Wages		\$ 4,774,791	\$ 4,773,204	\$ 1,587
Payroll Deductions and Withholdings	\$ 21,665	3,967,031	3,972,631	16,065
Interfund Payable General Fund		1,303	35	1,268
Total Liabilities	<u>\$ 21,665</u>	<u>\$ 8,743,125</u>	<u>\$ 8,745,870</u>	<u>\$ 18,920</u>

Exhibit H-6

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHOLARSHIP TRUSTS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 52,036	\$ 5,239	\$ 57,275
Total Assets	<u>\$ 52,036</u>	<u>\$ 5,239</u>	<u>\$ 57,275</u>
 <u>NET POSITION:</u>			
Restricted for Scholarships	\$ 52,036	\$ 5,239	\$ 57,275
Total Net Position	<u>\$ 52,036</u>	<u>\$ 5,239</u>	<u>\$ 57,275</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 Outstanding June 30, 2015		Interest Rate	Balance June 30, 2014	Matured	Balance June 30, 2015
			Date	Amount				
Refunding Issue - 2008	1/22/2008	\$ 3,075,000	7/15/2015	\$ 225,000	4.750%	\$ 1,880,000	\$ 235,000	\$ 1,645,000
			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	9/1/2015	90,000	2.000%	2,215,000	85,000	2,130,000
			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>\$ 4,095,000</u>	<u>\$ 320,000</u>	<u>\$ 3,775,000</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2015

NOT APPLICABLE

WALLKILL VALLEY REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Unaudited)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 465,218		\$ 465,218	\$ 465,218	
Total Revenue	465,218		465,218	465,218	
EXPENDITURES:					
Regular Debt Service:					
Interest	146,188		146,188	146,188	
Redemption of Principal	320,000		320,000	320,000	
Total Regular Debt Service	466,188		466,188	466,188	
Total Expenditures	466,188		466,188	466,188	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(970)		(970)	(970)	
Other Financing Sources:					
Operating Transfer In - Capital Projects Fund Interest				431	\$ 431
Sale of Solar Renewable Energy Certificates				69,991	69,991
Total Other Financing Sources				70,422	70,422
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(970)		(970)	69,452	70,422
Fund Balance, July 1	120,036		120,036	120,036	
Fund Balance June 30	\$ 119,066	\$ -0-	\$ 119,066	\$ 189,488	\$ 70,422
			Restricted Fund Balance	\$ 189,488	

STATISTICAL SECTION
(UNAUDITED)

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

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

These schedules contain information about the 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.

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.

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 6,080,291	\$ 6,547,270	\$ 7,118,731	\$ 6,483,309	\$ 6,385,952	\$ 6,314,749	\$ 5,869,863	\$ 7,020,032	\$ 7,211,116	\$ 7,439,268
Restricted	4,029,822	4,338,962	4,193,009	3,682,052	2,967,475	2,449,779	2,026,228	777,420	1,264,673	1,500,472
Unrestricted/(Deficit)	(343,226)	(752,952)	(603,019)	(807,933)	(902,565)	(785,420)	(704,031)	(283,069)	(2,459,233)	(2,605,674)
Total Governmental Activities Net Position	\$ 9,766,887	\$ 10,133,280	\$ 10,708,721	\$ 9,357,428	\$ 8,450,862	\$ 7,979,108	\$ 7,192,060	\$ 7,514,383	\$ 6,016,556	\$ 6,334,066
Business-Type Activities										
Net Investment in Capital Assets			\$ 17,237	\$ 19,760	\$ 18,079	\$ 16,399	\$ 14,875	\$ 13,351	\$ 45,315	\$ 43,639
Unrestricted	\$ 99,039	\$ 135,916	130,573	111,901	114,058	110,633	54,002	30,215	25,877	24,454
Total Business-Type Activities Net Position	\$ 99,039	\$ 135,916	\$ 147,810	\$ 131,661	\$ 132,137	\$ 127,032	\$ 68,877	\$ 43,566	\$ 71,192	\$ 68,093
District-Wide										
Net Investment in Capital Assets	\$ 6,080,291	\$ 6,567,327	\$ 7,135,968	\$ 6,503,069	\$ 6,404,031	\$ 6,331,148	\$ 5,884,738	\$ 7,033,383	\$ 7,256,431	\$ 7,482,907
Restricted	4,029,822	4,338,962	4,193,009	3,682,052	2,967,475	2,449,779	2,026,228	777,420	1,264,673	1,500,472
Unrestricted/(Deficit)	(244,187)	(637,093)	(472,446)	(696,032)	(788,507)	(674,787)	(650,029)	(252,854)	(2,433,356)	(2,581,220)
Total District Net Position	\$ 9,865,926	\$ 10,269,196	\$ 10,856,531	\$ 9,489,089	\$ 8,582,999	\$ 8,106,140	\$ 7,260,937	\$ 7,557,949	\$ 6,087,748	\$ 6,402,159

* Restated

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 6,135,339	\$ 6,708,909	\$ 6,586,767	\$ 6,815,264	\$ 7,130,288	\$ 6,923,097	\$ 6,839,274	\$ 6,195,588	\$ 5,749,967	\$ 7,754,333
Special Education	563,485	577,462	716,585	721,638	805,127	873,085	992,539	1,091,328	1,035,781	1,374,502
Other Special Education	204,790	85,262	97,952	94,363	70,524	58,903	63,436	70,092	73,273	27,148
Other Instruction	612,337	811,812	813,180	838,051	782,306	691,589	667,686	655,462	659,399	1,003,856
Support Services:										
Tuition	642,261	808,997	869,014	994,735	806,107	977,364	1,465,955	1,213,662	1,493,832	1,361,590
Student & Instruction Related Services	1,482,942	1,546,723	1,525,341	1,667,932	1,482,145	1,463,761	1,538,200	1,680,828	1,732,206	1,705,533
General Administrative Services	442,597	489,180	463,953	449,126	449,174	469,436	503,179	526,928	571,157	497,207
School Administrative Services	432,695	489,794	527,512	512,550	534,469	570,563	603,080	625,314	799,745	571,197
Central Services	173,975	185,716	188,586	182,213	190,028	199,545	203,126	218,443	190,028	233,290
Plant Operations And Maintenance	1,276,873	1,415,203	1,402,856	1,417,863	1,451,067	1,429,113	1,354,625	1,407,388	1,597,808	1,383,380
Pupil Transportation	1,167,932	1,256,640	1,289,909	1,342,996	1,219,697	1,186,503	1,290,220	1,191,416	1,307,918	1,317,839
Interest On Long-Term Debt	250,543	214,501	163,511	115,469	120,907	106,555	144,926	253,334	159,970	178,375
Unallocated	263,264	321,567	321,567	39,686	7,563	6,368	5,923	35,706	37,836	37,836
Capital Outlay					11,659	31,403	18,262	25,063	25,063	38,645
Total Governmental Activities Expenses	<u>13,649,033</u>	<u>14,911,766</u>	<u>14,966,733</u>	<u>15,191,886</u>	<u>15,061,061</u>	<u>14,987,285</u>	<u>15,690,431</u>	<u>15,190,552</u>	<u>15,464,079</u>	<u>17,484,731</u>
Business-type activities:										
Food Service	251,360	260,550	275,843	301,441	276,350	281,057	310,939	245,028	180,029	206,542
Total Business-Type Activities Expense	<u>251,360</u>	<u>260,550</u>	<u>275,843</u>	<u>301,441</u>	<u>276,350</u>	<u>281,057</u>	<u>310,939</u>	<u>245,028</u>	<u>180,029</u>	<u>206,542</u>
Total District Expenses	<u>\$ 13,900,393</u>	<u>\$ 15,172,316</u>	<u>\$ 15,242,576</u>	<u>\$ 15,493,327</u>	<u>\$ 15,337,411</u>	<u>\$ 15,268,342</u>	<u>\$ 16,001,370</u>	<u>\$ 15,435,580</u>	<u>\$ 15,644,108</u>	<u>\$ 17,691,273</u>
Program Revenues										
Governmental Activities:										
Charges For Services									\$ 448	
Operating Grants and Contributions	\$ 5,869,589	\$ 6,313,754	\$ 6,510,453	\$ 5,954,780	\$ 5,265,169	\$ 5,812,475	\$ 6,050,943	\$ 6,081,545	6,179,091	\$ 7,893,682
Total Governmental Activities Program Revenues	<u>5,869,589</u>	<u>6,313,754</u>	<u>6,510,453</u>	<u>5,954,780</u>	<u>5,265,169</u>	<u>5,812,475</u>	<u>6,050,943</u>	<u>6,081,545</u>	<u>6,179,539</u>	<u>7,893,682</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type Activities:										
Charges for services										
Food Service	\$ 244,585	\$ 250,142	\$ 247,504	\$ 236,878	\$ 223,240	\$ 215,936	\$ 187,788	\$ 153,605	\$ 138,799	\$ 138,574
Operating Grants and Contributions	37,543	37,491	34,770	40,705	51,847	59,066	64,357	65,960	68,829	64,848
Total Business Type Activities Program Revenues	<u>282,128</u>	<u>287,633</u>	<u>282,274</u>	<u>277,583</u>	<u>275,087</u>	<u>275,002</u>	<u>252,145</u>	<u>219,565</u>	<u>207,628</u>	<u>203,422</u>
Total District Program Revenues	<u>\$ 6,151,717</u>	<u>\$ 6,601,387</u>	<u>\$ 6,792,727</u>	<u>\$ 6,232,363</u>	<u>\$ 5,540,256</u>	<u>\$ 6,087,477</u>	<u>\$ 6,303,088</u>	<u>\$ 6,301,110</u>	<u>\$ 6,387,167</u>	<u>\$ 8,097,104</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (7,779,444)	\$ (8,598,012)	\$ (8,456,280)	\$ (9,237,106)	\$ (9,795,892)	\$ (9,174,810)	\$ (9,639,488)	\$ (9,109,007)	\$ (9,284,540)	\$ (9,591,049)
Business-Type Activities	30,768	27,083	6,431	(23,858)	(1,263)	(6,055)	(58,794)	(25,463)	27,599	(3,120)
Total District-Wide Net Expense	<u>\$ (7,748,676)</u>	<u>\$ (8,570,929)</u>	<u>\$ (8,449,849)</u>	<u>\$ (9,260,964)</u>	<u>\$ (9,797,155)</u>	<u>\$ (9,180,865)</u>	<u>\$ (9,698,282)</u>	<u>\$ (9,134,470)</u>	<u>\$ (9,256,941)</u>	<u>\$ (9,594,169)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 7,385,363	\$ 7,544,809	\$ 7,999,486	\$ 8,285,245	\$ 8,249,911	\$ 8,579,907	\$ 8,765,642	\$ 8,966,082	\$ 9,145,404	\$ 9,328,312
Taxes Levied for Debt Service	730,467	682,671	615,727	19,893				399,094	477,288	465,218
Debt Service Type II Aid	290,921	266,803	243,243							
Federal and State Aid not Restricted					546,750					
Investment Earnings	347	8,575	1,705	13	9	4	3,582	1,314	1,590	2,321
Miscellaneous Income	698,782	318,256	171,560	160,079	131,456	123,145	83,216	64,840	215,472	112,708
Transfers										
Adjustment to Fixed Asset Report	(6,100)	143,291		(579,417)	(38,800)					
Total Governmental Activities	<u>9,099,780</u>	<u>8,964,405</u>	<u>9,031,721</u>	<u>7,885,813</u>	<u>8,889,326</u>	<u>8,703,056</u>	<u>8,852,440</u>	<u>9,431,330</u>	<u>9,839,754</u>	<u>9,908,559</u>
Business-Type Activities:										
Miscellaneous Income	918	2,837	5,463	3,506	1,739	950	638	152	27	21
Adjustment to Fixed Asset Report		6,957		4,203						
Total Business-Type Activities	<u>918</u>	<u>9,794</u>	<u>5,463</u>	<u>7,709</u>	<u>1,739</u>	<u>950</u>	<u>638</u>	<u>152</u>	<u>27</u>	<u>21</u>
Total District-Wide	<u>\$ 9,100,698</u>	<u>\$ 8,974,199</u>	<u>\$ 9,037,184</u>	<u>\$ 7,893,522</u>	<u>\$ 8,891,065</u>	<u>\$ 8,704,006</u>	<u>\$ 8,853,078</u>	<u>\$ 9,431,482</u>	<u>\$ 9,839,781</u>	<u>\$ 9,908,580</u>

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Change in Net Position										
Governmental Activities	\$ 1,320,336	\$ 366,393	\$ 575,441	\$ (1,351,293)	\$ (906,566)	\$ (471,754)	\$ (787,048)	\$ 322,323	\$ 555,214	\$ 317,510
Business-Type Activities	31,686	36,877	11,894	(16,149)	476	(5,105)	(58,156)	(25,311)	27,626	(3,099)
Total District	<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>\$ 297,012</u>	<u>\$ 582,840</u>	<u>\$ 314,411</u>

Source: School District Financial Reports

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,682,085	\$ 1,924,072	\$ 1,773,332	\$ 1,586,854	\$ 1,141,451					
Unreserved/(Deficit)	504,760	65,285	95,870	(47,485)	(107,126)					
Restricted						\$ 751,708	\$ 393,268	\$ 346,069	\$ 714,256	\$ 880,633
Assigned						277,342	150,167	536,468	422,550	251,347
Total General Fund	<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>	<u>\$ 1,136,806</u>	<u>\$ 1,131,980</u>
All Other Governmental Funds										
Unreserved, Reported In:										
Capital Projects Fund	\$ 2,271,572	\$ 2,255,622	\$ 2,234,641	\$ 1,989,641	\$ 1,791,585					
Debt Service Fund	76,165	159,268	185,036	105,557	34,439					
Restricted						\$ 1,438,160	\$ 1,632,960	\$ 431,351	\$ 550,417	\$ 619,839
Total All Other Governmental Funds	<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>	<u>\$ 550,417</u>	<u>\$ 619,839</u>

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 8,115,830	\$ 8,227,480	\$ 8,615,213	\$ 8,305,138	\$ 8,249,911	\$ 8,579,907	\$ 8,765,642	\$ 9,365,176	\$ 9,622,692	\$ 9,793,530
Tuition Charges	20,650	33,420	3,800		4,000	4,400	3,600	4,600	448	
Interest Earnings	53,497	114,693	154,688	73,090	55,138	6,728	3,582	1,314	1,590	1,890
Unrestricted Miscellaneous Revenue	624,982	178,718	14,777	87,001	72,327	112,021	79,616	64,840	96,839	43,178
State Sources	5,984,149	6,389,637	6,528,431	5,734,667	4,834,181	5,471,948	5,769,699	5,839,127	5,954,105	6,098,967
Federal Sources	176,361	190,920	225,266	220,113	977,738	340,527	281,244	237,818	224,986	244,795
Total Revenue	14,975,469	15,134,868	15,542,175	14,420,009	14,193,295	14,515,531	14,903,383	15,512,875	15,900,660	16,182,360
Expenditures										
Instruction										
Regular Instruction	4,615,121	4,802,691	4,770,907	4,961,474	5,062,644	4,819,912	4,760,662	4,484,840	4,169,790	4,522,454
Special Education Instruction	406,481	409,921	507,407	535,987	608,365	633,705	711,225	744,760	747,450	771,866
Other Special Instruction	58,369	59,752	68,668	60,902	63,070	52,613	55,677	59,102	20,459	27,148
School Sponsored/Other Instruction	607,403	619,711	615,338	665,464	658,555	549,371	580,360	544,456	601,062	682,121
Support Services:										
Tuition	642,261	808,997	869,014	994,735	806,107	977,364	1,465,955	1,213,662	1,493,832	1,361,590
Student & Instruction Related Services	1,145,694	1,156,277	1,142,603	1,174,741	1,110,653	1,088,684	1,095,685	1,155,244	1,245,066	1,361,348
General Administrative Services	369,527	368,636	372,062	345,742	362,816	363,824	380,915	395,350	392,242	411,856
School Administrative Services	354,805	369,456	366,454	383,122	395,146	409,795	420,950	412,972	569,006	438,168
Central Services	130,246	134,402	137,645	138,166	147,847	153,293	150,396	157,130	170,271	186,029
Plant Operations And Maintenance	1,099,202	1,190,080	1,196,937	1,220,209	1,154,694	1,094,582	1,018,990	938,809	1,144,537	1,129,854
Pupil Transportation	1,167,932	1,256,640	1,289,909	1,342,996	1,219,697	1,186,503	1,290,220	1,191,416	1,307,918	1,317,839
Unallocated Benefits	2,531,895	3,005,669	3,030,225	2,846,902	2,942,777	3,166,246	3,249,684	3,370,158	3,059,413	3,212,989
Capital Outlay	78,431	110,482	378,255	27,583	71,004	57,040	2,971,641	271,920	247,624	298,275

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Service:										
Principal	\$ 760,000	\$ 740,000	\$ 720,000	\$ 245,000	\$ 240,000	\$ 240,000	\$ 235,000	\$ 1,235,000	\$ 320,000	\$ 320,000
Interest And Other Charges	273,892	232,489	192,119	131,298	124,138	115,738	106,838	200,563	157,288	146,188
Total Expenditures	14,243,265	15,265,203	15,657,543	15,074,321	14,967,513	14,908,670	18,494,198	16,375,382	15,645,958	16,187,725
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	732,204	(130,335)	(115,368)	(654,312)	(774,218)	(393,139)	(3,590,815)	(862,507)	254,702	(5,365)
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	53,150	106,118	78,917	276,926	284,798	357,769	321,265	1,021,542	433	431
Transfers Out	(53,150)	(106,118)	(78,917)	(276,926)	(284,798)	(357,769)	(321,265)	(1,021,542)	(433)	(431)
Cancellation of State Receivable										(30)
Sale of Solar Renewable Energy Certificates									118,633	69,991
Total Other Financing Sources (Uses)	-	-	-	-	-	-	3,300,000	-	118,633	69,961
Net Change In Fund Balances	\$ 732,204	\$ (130,335)	\$ (115,368)	\$ (654,312)	\$ (774,218)	\$ (393,139)	\$ (290,815)	\$ (862,507)	\$ 373,335	\$ 64,596
Debt Service As A Percentage Of Noncapital Expenditures	7.3%	6.4%	6.0%	2.5%	2.4%	2.8%	2.2%	8.9%	3.1%	2.9%

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)

Fiscal Year Ending June 30,	Interest on Investments	Rentals	Tuition	Miscellaneous	Insurance Settlement	Total
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
2014	1,631		448	96,365		98,444
2015	1,890			42,747		44,637

Source: Wallkill Valley Regional High School District records

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	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
2013	14,492,100	308,457,400	5,104,600	226,100	111,148,900	12,949,100	7,213,800	459,592,000	57,681,000	1,397,027	460,989,027	0.49	408,931,985
2014	* 12,909,900	248,180,400	4,097,500	222,500	108,720,600	9,924,600	6,723,300	390,778,800	57,771,400	1,591,221	392,370,021	0.57	403,786,555
<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
2013	4,628,150	177,780,200			18,256,200	3,921,700	747,800	205,334,050	4,838,600	406,308	205,740,358	0.75	289,385,794
2014	* 6,038,600	204,017,600			27,961,200	4,988,600	690,600	243,696,600	19,855,400	550,675	244,247,275	0.59	260,636,321

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Hardyston Township</u>													
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
2013	44,953,900	920,224,100	16,501,900	1,282,800	111,807,300	41,908,600	17,013,600	1,153,692,200	124,109,800	2,239,471	1,155,931,671	0.41	1,188,256,592
2014	* 37,337,300	851,140,900	13,851,200	1,286,800	111,774,500	41,987,200	17,000,000	1,074,377,900	124,187,200	2,229,373	1,076,607,273	0.41	1,136,483,623
<u>Ogdensburg Borough</u>													
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
2013	3,392,900	214,338,300	317,600	15,900	15,549,000	3,024,300	2,710,800	239,348,800	22,424,100	416,585	239,765,385	0.39	216,669,834
2014	* 2,858,300	178,456,800	279,200	13,500	11,442,000	2,672,200	1,648,200	197,370,200	20,907,700	405,852	197,776,052	0.39	200,920,937

* Revaluation Year

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 ^a	General Obligation Debt Service ^b	Total Direct	Borough of Franklin	Local School District	Sussex County	
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
2013	0.437	0.049	0.485	0.972	0.985	0.476	2.918
2014	* 0.539	0.027	0.566	1.183	1.196	0.536	3.481

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Hamburg	Local School District	Sussex County	
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
2013	0.675	0.075	0.750	0.970	1.910	0.690	4.320
2014	* 0.560	0.028	0.588	0.835	1.658	0.555	3.636

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 ^a	General Obligation	Total	Township of	Local	Sussex	
		Debt Service ^b	Direct	Hardyston	School District	County	
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
2013	0.365	0.041	0.406	0.609	0.850	0.509	2.374
2014	* 0.435	0.022	0.406	0.662	0.969	0.550	2.587

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation	Total	Borough of	Local	Sussex	
		Debt Service ^b	Direct	Ogdensburg	School District	County	
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
2013	0.352	0.039	0.391	0.906	0.969	0.445	2.711
2014	* 0.352	0.039	0.391	1.088	1.348	0.528	3.355

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.

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

Franklin Borough

Hamburg Borough

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Wal-Mart	\$ 11,988,700	2.60%
Franklin 23	9,000,000	1.95%
Weis Markets, Inc.	7,278,400	1.58%
Transbank International Corp	5,933,500	1.29%
Wurtsboro Associates	5,782,900	1.25%
Braen Aggregates, LLC	4,619,100	1.00%
Hillside Estates at Franklin	4,588,800	1.00%
Sterling Plaza, Inc	3,866,700	0.84%
KAJ Franklin, LLC	3,276,500	0.71%
Sante Bus LLC	2,814,200	0.61%
Total	\$ 59,148,800	12.83%

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Ames Rubber Corp	\$ 3,054,600	1.48%
Governor Haines Square Corp	2,019,600	0.98%
Envision New Jersey, LLC	1,934,000	0.93%
Kaytes Realty, LLC	1,881,700	0.91%
Individual Taxpayer #1	1,405,000	0.68%
Plaza 23, LLC	1,317,900	0.64%
TRP Investment LLC	1,174,000	0.57%
Wachovia Bank C/O	978,400	0.47%
KP Kit & Jay LLC	913,800	0.44%
TCAT Properties Hamburg, LLC	868,000	0.42%
Total	\$ 15,547,000	7.52%

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
Wal-Mart	\$ 7,240,800	2.99%
Transbank International Investors	4,874,000	2.01%
Franklin 23	4,850,000	2.00%
Weis Markets, Inc.	4,850,000	2.00%
Sterling Plaza, Inc.	2,949,100	1.22%
United Telephone	2,719,030	1.12%
Hillside Estates of Franklin	2,425,000	1.00%
Wurtsboro Associates	2,102,000	0.87%
Durling Realty LLC	1,626,600	0.67%
Black Bear Golf, Inc.	1,432,300	0.59%
Total	\$ 35,068,830	14.47%

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
Ames Rubber Corporation	\$ 3,130,000	1.53%
Shan Industries	2,230,600	1.09%
The Bluffs at Ballyowen	2,200,000	1.07%
Kaytes Realty LLC	2,022,000	0.99%
Governor Haines Square Corporation	1,488,700	0.73%
Gray Elephant, LLC	1,000,300	0.49%
Wachovia Bank	971,000	0.47%
TRB Investments, LLC	916,000	0.45%
Plaza 23, LLC	678,000	0.33%
Individual Taxpayer #1	645,000	0.31%
Total	\$ 15,281,600	7.46%

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

Hardyston Township

Ogdensburg Borough

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Assoc, LLC	\$ 17,000,000	8.22%
WT Spe, LLC	15,193,800	7.47%
Eastern Concrete Materials, Inc	8,774,100	4.26%
Grand Cascades Lodge at Crystal Springs	8,668,700	4.16%
Ballyoween Spe, LLC	8,280,500	4.01%
Crystal Springs Spe, LLC	6,781,500	3.28%
Individual Taxpayer	6,494,700	3.25%
Skylands Ownership Group LLC	6,390,500	3.10%
City of Newark Sewer & Water Supply	6,075,300	2.95%
Black Bear SPE, LLC	5,126,300	2.94%
Total	\$ 88,785,400	43.64%

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Jimmy Dobbins PL	\$ 2,136,200	1.08%
Ogdensburg Associates	1,598,500	0.81%
Pokorny Properties LLC	1,514,300	0.77%
83 Main St. LLC	556,900	0.28%
Individual Taxpayer #1	528,400	0.27%
Individual Taxpayer #2	501,400	0.25%
Sterling Hill Mining Museum, Inc	501,000	0.25%
Individual Taxpayer #3	456,700	0.23%
Individual Taxpayer #4	453,700	0.23%
United Telephone	451,311	0.23%
Total	\$ 8,698,411	4.40%

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
Wild Turkey Golf Club, LLC	\$ 10,298,400	1.80%
Edgewater Associates, LLC	9,688,000	1.70%
Crystal Springs Builders, LLC	6,437,900	1.13%
Crystal Springs Acquisitions, LLC	5,808,000	1.02%
Pottersville Properties Development, LLC	5,379,800	0.94%
Ballyowen Golf Club USA, Inc.	5,288,400	0.93%
Skylands Iceworld	4,687,200	0.82%
Newark Watershed CDC	4,109,300	0.72%
Beaser Homes Corporation	2,982,100	0.52%
Black Bear Golf, Inc.	2,969,900	0.52%
Total	\$ 57,649,000	10.10%

Taxpayer	2006	
	Taxable Assessed Value	% of Total District Net Assessed Value
Estate of John Dobbins	\$ 1,725,000	1.49%
Ogdensburg Associates	1,100,000	0.95%
Sterling Hill Mining Museum, Inc	1,019,000	0.88%
Individual Taxpayer #1	690,100	0.60%
AA-1 Self Storage LLC	672,400	0.58%
Individual Taxpayer #2	550,700	0.48%
Individual Taxpayer #3	432,000	0.37%
Individual Taxpayer #4	419,600	0.36%
100 Pane St. LLC	405,600	0.35%
Individual Taxpayer #5	394,100	0.34%
Total	\$ 7,408,500	6.40%

N/A - Not Available

Source: Municipal Tax Assessor

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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-
2014	9,622,692	9,234,162	95.96%	\$ 388,530
2015	9,793,530	9,793,530	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 TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2006	\$ 4,803,000	-0-	-0-	-0-	-0-	\$ 4,803,000	0.58%	\$ 252.67	
2007	4,063,000	-0-	-0-	-0-	-0-	4,063,000	0.45%	209.89	
2008	3,343,000	-0-	-0-	-0-	-0-	3,343,000	0.35%	171.37	
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	0.30%	145.52	
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	0.59%	299.96	
2013	4,415,000	-0-	-0-	-0-	-0-	4,415,000	0.46%	236.26	
2014	4,095,000	-0-	-0-	-0-	-0-	4,095,000	0.42%	220.79	
2015	3,775,000	-0-	-0-	-0-	-0-	3,775,000	0.44%	234.37	

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.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 4,803,000	-0-	\$ 4,803,000	1.693%	\$ 252.67
2007	4,063,000	-0-	4,063,000	1.392%	209.89
2008	3,343,000	-0-	3,343,000	1.104%	171.37
2009	3,065,000	-0-	3,065,000	0.959%	157.31
2010	2,825,000	-0-	2,825,000	0.795%	145.52
2011	2,585,000	-0-	2,585,000	0.492%	136.50
2012	5,650,000	-0-	5,650,000	1.089%	299.96
2013	4,415,000	-0-	4,415,000	0.855%	236.26
2014	4,095,000	-0-	4,095,000	0.794%	220.79
2015	3,775,000	-0-	3,775,000	0.790%	234.37

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, 2014

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Franklin Borough	\$ 2,119,085	100.00%	\$ 2,119,085
Hamburg Borough	377,100	100.00%	377,100
Hardyston Township	10,547,500	100.00%	10,547,500
Ogdensburg Borough	854,738	100.00%	854,738
County of Sussex - Municipality's Share:			
Franklin Borough	68,100,067	2.34%	1,590,495
Hamburg Borough	68,100,067	1.51%	1,026,633
Hardyston Township	68,100,067	6.57%	4,476,551
Ogdensburg Borough	68,100,067	1.16%	791,417
Subtotal, Overlapping Debt			21,783,519
Wallkill Valley Regional High School District Direct Debt			3,775,000
Total Direct And Overlapping Debt			<u>\$ 25,558,519</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 municipalities comprising 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.

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

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

Legal Debt Margin Calculation for Fiscal Year 2014

	Franklin Borough	Hamburg Borough	Hardyston Township	Ogdensburg Borough	Equalized Valuation Basis
2014	\$ 415,456,942	\$ 268,004,619	\$ 1,152,889,688	\$ 193,576,108	\$ 2,029,927,357
2013	407,629,747	272,470,873	1,183,152,702	199,142,025	2,062,395,347
2012	447,232,706	289,294,369	1,179,466,338	214,882,626	2,130,876,039
	<u>\$ 1,270,319,395</u>	<u>\$ 829,769,861</u>	<u>\$ 3,515,508,728</u>	<u>\$ 607,600,759</u>	<u>\$ 6,223,198,743</u>
	Average Equalized Valuation of Taxable Property				\$ 2,074,399,581
	Debt Limit (3% of average equalization value)				62,231,987 ^a
	Net Bonded School Debt				<u>3,775,000</u>
	Legal Debt Margin				<u>\$ 58,456,987</u>

	Fiscal Year				
	2006	2007	2008	2009	2010
Debt Limit	\$ 49,684,598	\$ 54,768,010	\$ 65,872,693	\$ 71,526,363	\$ 73,311,656
Total Net Debt Applicable to Limit	<u>4,803,000</u>	<u>4,063,000</u>	<u>3,343,000</u>	<u>3,065,000</u>	<u>2,825,000</u>
Legal Debt Margin	<u>\$ 44,881,598</u>	<u>\$ 44,881,598</u>	<u>\$ 50,705,010</u>	<u>\$ 62,529,693</u>	<u>\$ 68,461,363</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	9.67%	7.42%	5.07%	4.29%	3.85%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 72,741,913	\$ 69,832,485	\$ 66,929,986	\$ 64,357,315	\$ 62,231,987
Total Net Debt Applicable to Limit	<u>2,585,000</u>	<u>5,650,000</u>	<u>4,415,000</u>	<u>4,095,000</u>	<u>3,775,000</u>
Legal Debt Margin	<u>\$ 70,486,656</u>	<u>\$ 64,182,485</u>	<u>\$ 62,514,986</u>	<u>\$ 60,262,315</u>	<u>\$ 58,456,987</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.55%	8.09%	6.60%	6.36%	6.07%

^a Limit set by NJS A 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^a</u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income^b</u>	<u>Unemployment Rate^c</u>
<u>Franklin Borough</u>				
2005	5,130	\$ 223,006,230	\$ 43,471	4.90%
2006	5,119	236,610,418	46,222	4.90%
2007	5,122	250,532,386	48,913	4.90%
2008	5,095	253,440,585	49,743	6.30%
2009	5,077	246,310,655	48,515	10.30%
2010	5,042	246,705,060	48,930	11.00%
2011	5,019	254,212,350	50,650	10.70%
2012	4,945	257,659,225	52,105	10.60%
2013	4,937	261,453,646	52,958	8.40%
2014	4,906	259,811,948 *	52,958 *	8.20%
<u>Hamburg Borough</u>				
2005	3,504	\$ 152,322,384	\$ 43,471	4.90%
2006	3,498	161,684,556	46,222	4.60%
2007	3,479	170,168,327	48,913	4.40%
2008	3,470	172,608,210	49,743	5.60%
2009	3,459	167,813,385	48,515	9.30%
2010	3,276	160,294,680	48,930	9.90%
2011	3,261	165,169,650	50,650	9.60%
2012	3,208	167,152,840	52,105	9.60%
2013	3,193	169,094,894	52,958	5.60%
2014	3,178	168,300,524 *	52,958 *	6.70%

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

Year	Population ^a	Personal Income	Sussex County Per Capita Personal Income ^b	Unemployment Rate ^c
<u>Hardyston Township</u>				
2005	7,781	\$ 338,247,851	\$ 43,471	4.70%
2006	8,149	376,663,078	46,222	4.90%
2007	8,329	407,396,377	48,913	6.20%
2008	8,357	415,702,251	49,743	6.20%
2009	8,325	403,887,375	48,515	10.30%
2010	8,210	401,715,300	48,930	11.00%
2011	8,158	413,202,700	50,650	10.70%
2012	8,089	421,477,345	52,105	10.60%
2013	8,088	428,324,304	52,958	6.20%
2014	8,023	424,882,034 *	52,958 *	5.90%
<u>Ogdensburg Borough</u>				
2005	2,594	\$ 112,763,774	\$ 43,471	3.40%
2006	2,592	119,807,424	46,222	3.50%
2007	2,578	126,097,714	48,913	4.50%
2008	2,562	127,441,566	49,743	4.50%
2009	2,552	123,810,280	48,515	7.60%
2010	2,410	117,921,300	48,930	8.10%
2011	2,398	121,458,700	50,650	7.90%
2012	2,376	123,801,480	52,105	7.80%
2013	2,329	123,339,182	52,958	4.40%
2014	2,310	122,332,980 *	52,958 *	6.30%

Source:

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

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

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

* - Latest Sussex County per capita personal income available (2013) was used for calculation purposes.

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

2014			2005		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	2.66%	Mountain Creek/Intrawest	1,760	N/A
Newton Memorial Hospital	1,200	1.59%	Selective Insurance Company	954	N/A
Selective Insurance	900	1.20%	County of Sussex	864	N/A
County of Sussex	830	1.10%	Andover Subacute and Rehab Center	800	N/A
Mountain Creek Resort	800	1.06%	Newton Memorial Hospital	772	N/A
Ames Rubber Corp	445	0.59%	Vernon Township Bd. of Education	703	N/A
Shop Rite Supermarkets (Ronetco)	301	0.40%	Ronetco Supermarkets Inc.	691	N/A
Andover Subacute and Rehab Center	300	0.40%	Crystal Springs Golf & Spa Resort	653	N/A
Sussex County Community College	300	0.40%	Sparta Board of Education	557	N/A
SCARC, Inc.	287	0.38%	Sussex County Community College	516	N/A
	<u>7,363</u>	<u>9.78%</u>		<u>8,270</u>	<u>N/A</u>

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

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

<u>Function/Program</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>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	50.5	51.0	52.0	52.0	52.0	55.5	55.5	47.0	47.0	50.0
Special Education	7.0	7.0	7.0	7.0	7.0	8.0	9.0	9.0	9.0	9.0
Other Special Education	1.0	1.0	1.0	1.0	1.0			0.5	0.2	1.0
Support Services:										
Student and Instruction Related Services	19.5	20.0	20.0	20.0	20.0	11.5	11.5	10.0	14.0	13.5
School Administrative Services	2.0	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	4.0	4.0
Plant Operations and Maintenance	9.5	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	9.5
Business and Other Support Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	2.0	2.0
Total	<u>98.5</u>	<u>99.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>94.0</u>	<u>95.0</u>	<u>85.5</u>	<u>86.2</u>	<u>91.0</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil^d</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio High School</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
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%
2014	660	14,921,046	22,608	5.43%	57	1:12.1	665	619	-5.93%	93.08%
2015	685	15,423,262	22,516	-0.41%	60	1:12.1	673	643	3.88%	95.54%

Source: Walkkill 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.

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

<u>District Building</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>	<u>2014</u>	<u>2015</u>
High School (1982)										
Square Feet	176,500	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	950
Enrollment	891	871	837	837	788	775	706	684	660	685

Number of Schools at June 30, 2015

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

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.

WALLKILL 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
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
2014		360,712	360,712
2015		303,635	303,635

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

Source: Wallkill Valley Regional High School District records

WALLKILL REGIONAL HIGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy – NJSIG Insurance	\$34,118,142	\$5,000
Building & Personal Property/Boiler/ Inland Marine – Auto Physical Damage		
General Liability including Employee Benefits	11,000,000	
Each Occurrence		
General Aggregate		
Product/Completed Ops		
Personal Injury		
Auto Liability	11,000,000	25,000
Environmental Package \$1,000,000		
Crime Coverage		
Faithful Performance	250,000	1,000
Forgery & Alteration	250,000	1,000
Money and Securities	100,000	1,000
Money Orders/Counterfeit	100,000	1,000
Computer Fraud	250,000	1,000
School Board Legal Liability cov A	6,000,000	5,000
Coverage B 100,000/300,000		
Workers' Compensation	Statutory	
Employer's Liability	Statutory	
Supplemental Indemnity	Statutory	
Bond for School Administrator	Selective Insurance	204,000
Bond for Treasurer of School Monies	Selective Insurance	204,000
Student Accident Coverage students & athletes	Bollinger Insurance	5,000,000
Source: District records		

SINGLE AUDIT SECTION



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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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2015.

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 3

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.

November 20, 2015
Mount Arlington, New Jersey



NISIVOCIA LLP



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's OMB Circulars 04-04 and 15-08

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, 2015. 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's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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, 2015.

The Honorable President and Members
of the Board of Education
Wallkill 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 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

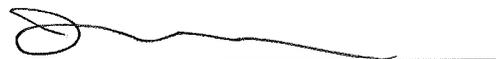
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 20, 2015
Mount Arlington, New Jersey



NISIVOCIA LLP



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

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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) 6/30/14	Due to Grantor 6/30/14	Cash Received	Budgetary Expenditures	Returned to Grantor	Balance 6/30/15		Due to Grantor 6/30/15
										Accounts Receivable	Unearned Revenue	
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.550	N/A	7/1/13-6/30/14	\$ 16,342	\$ 1,465			\$ (1,465)				
Federal Food Distribution Program	10.550	N/A	7/1/14-6/30/15	9,878			\$ 9,878	(7,788)			\$ 2,090	
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	50,822	(3,800)		3,800					
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	53,753			50,473	(53,753)		\$ (3,280)		
Total U.S. Department of Agriculture/Child Nutrition Cluster					(2,335)		64,151	(63,006)		(3,280)	2,090	
U.S. Department of Education												
Passed-through State Department of Education:												
No Child Left Behind Consolidated Grant:												
Title I	84-010A	NCLB-3100-14	7/1/13-6/30/14	76,926	(76,415)		76,415					
Title I	84-010A	NCLB-3100-15	7/1/14-6/30/15	73,399			58,252	(71,345)		(13,093)		
Title IIA	84.278A	NCLB-3100-14	7/1/13-6/30/14	13,310	(13,236)		13,236					
Title IIA	84.278A	NCLB-3100-15	7/1/14-6/30/15	13,272			1	(13,182)		(13,181)		
Special Education Cluster												
I.D.E.A. Part B, Basic	84.027	FT-5520-14	7/1/13-6/30/14	134,859	(60,196)		60,196					
I.D.E.A. Part B, Basic	84.027	FT-5520-13	7/1/14-6/30/15	136,063			136,063	(136,063)				
Perkins Vocational Education - Basic Grants	84.048A	N/A	7/1/13-6/30/14	12,293	493			(493)				
Perkins Vocational Education - Basic Grants	84.048A	N/A	7/1/14-6/30/15	19,318				(14,612)		(14,612)		
Total U.S. Department of Education					(149,354)		344,163	(235,695)		(40,886)		
Total Federal Financial Awards					\$ (151,689)	\$ -0-	\$ 408,314	\$ (298,701)	\$ -0-	\$ (44,166)	\$ 2,090	\$ -0-

N/A - Not Available

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

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue (Accounts Receivable)			Cancellation of Prior Year Receivable	Balance 6/30/15		MEMO	
				06/30/14	Cash Received	Budgetary Expenditures		GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:											
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 2,932,866		\$ 2,642,265	\$ (2,932,866)				\$ (290,601)	\$ 2,932,866
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	92,430		83,272	(92,430)				(9,158)	92,430
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	466,818		420,564	(466,818)				(46,254)	466,818
Special Education Aid	15-495-034-5120-011	7/1/14-6/30/15	415,991		374,773	(415,991)				(41,218)	415,991
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	67,110		60,460	(67,110)				(6,650)	67,110
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	718,835		647,610	(718,835)				(71,225)	718,835
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	6,580		5,928	(6,580)				(652)	6,580
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	6,580		5,928	(6,580)				(652)	6,580
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	78,540			(78,540)		\$ (78,540)		(78,540)	78,540
Non-Public Transportation	15-495-034-5120-014	7/1/14-6/30/15	9,810			(9,810)		(9,810)		(9,810)	9,810
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	435,145		404,867	(435,145)		(30,278)		(30,278)	435,145
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	2,932,866	\$ (285,833)	285,833						2,932,866
School Choice Aid	14-495-034-5120-068	7/1/13-6/30/14	82,160	(8,007)	8,007						82,160
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	466,818	(45,496)	45,496						466,818
Special Education Aid	14-495-034-5120-011	7/1/13-6/30/14	415,991	(40,542)	40,542						415,991
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	67,110	(6,540)	6,540						67,110
Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	718,835	(70,057)	70,057						718,835
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	109,874	(109,874)	109,874						109,874
Non-Public Transportation	14-495-034-5120-014	7/1/13-6/30/14	9,574	(9,574)	9,574						9,574
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	445,641	(22,528)	22,528						445,641
Total General Fund State Aid				(598,451)	5,244,118	(5,230,705)		(118,628)		(585,038)	10,479,574
Total NJ Department of Education				(598,451)	5,244,118	(5,230,705)		(118,628)		(585,038)	10,479,574
Capital Projects Fund:											
SDA Grant	1050-040-03-0231	7/1/06-6/30/07	2,922,597	(30)			30				2,922,597
Total Capital Projects Fund				(30)			30				2,922,597
Enterprise Fund:											
National School Lunch Program (State Share)	15-100-034-5120-122	7/1/14-6/30/15	1,842		1,832	(1,842)		(10)			1,842
National School Lunch Program (State Share)	14-100-034-5120-122	7/1/13 - 6/30/14	1,758	(130)	130						1,758
Total Enterprise Fund				(130)	1,962	(1,842)		(10)			3,600
Total State Awards				\$ (598,611)	\$ 5,246,080	\$ (5,232,547)	\$ 30	\$ (118,638)	\$ -0-	\$ (585,038)	\$ 13,405,771

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015. 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's OMB Circulars 04-04 and 15-08, *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 (\$9,935) 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 \$339,400 and \$538,797 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		\$ 6,098,967	\$ 6,098,967
Special Revenue Fund	\$ 244,795		244,795
Enterprise Fund - Food Service	63,006	1,842	64,848
	<u>\$ 307,801</u>	<u>\$ 6,100,809</u>	<u>\$ 6,408,610</u>

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, 2015. 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, 2015

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 the major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on its major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 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, 2014 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 awards:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State:</u>				
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 415,991	\$ 415,991
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	2,932,866	2,932,866
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	67,110	67,110
Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	718,835	718,835
School Choice Aid	15-495-034-5120-068	7/1/14-6/30/15	92,430	92,430
PARCC Readiness Grant	15-495-034-5120-098	7/1/14-6/30/15	6,580	6,580
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	6,580	6,580

- The threshold used for distinguishing between Type A and Type B programs was \$300,000 for state grants.
- The District was determined to be a "low-risk" auditee under the provisions of section 530 of the federal Circular for state programs.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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 New Jersey's OMB Circulars 04-04 and 15-08.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

There were no findings in the prior year.