

WALLKILL VALLEY REGIONAL
HIGH SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	3
No Child Left Behind (N.C.L.B.)	3
T.P.A.F. Reimbursement	4
School Purchasing Programs:	4
Contracts and Agreements Requiring Advertisement for Bids	4
School Food Service Fund	5
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	7
Management Suggestions	7
Miscellaneous	8
Status of Prior Year's Findings/Recommendations	8
Schedule of Meal Count Activity (Not Applicable)	9
Schedule of Audited Enrollments	10
Excess Surplus Calculation	15
Summary of Recommendations	17



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November 20, 2015

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Wallkill Valley Regional High School District in the County of Sussex for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 20, 2015.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents. This letter does not affect our report dated November 20, 2015, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendation.

This report is intended for the information of the Wallkill Valley Regional High School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "N. Sivoccia", is written above the text "NISIVOCCIA LLP".

NISIVOCCIA LLP

A handwritten signature in black ink, appearing to read "David H. Evans", is written above a horizontal line.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the district's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Sarah Anne McGrath	Treasurer of School Monies	\$ 204,000
Joseph Hurley	Business Administrator/Board Secretary	204,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the General Fund.

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Superintendent. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I and Title II of the No Child Left Behind Act.

The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR.

This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. “When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made”

N.J.S.A. 18A:18A-4 states, “Every contract for the provision or performance of any goods or services the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law”

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A 18A:39-3 is currently \$18,300.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution, recognizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$36,000.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records, and eligibility applications were reviewed on a test basis. Food Service accounting records maintained by the District's central administration office were reconciled with the records maintained by the food service contractor.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Cash receipts and bank records were reviewed for timely deposit.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. Net cash resources did not exceed three months average expenditures.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes and operating results provision which guarantees that the food service program will generate a \$10,000 profit. The operating results provision has been met.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

School Food Service: (Cont'd)

Food distribution program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the CAFR.

The District has a Type 2 SOC 1 report. (Service Organization Controls report) of the food service management company on file as required by state requirements.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have the following recommendation.

Finding:

It was noted there are reconciling items on the bank reconciliations which are older than one year.

Recommendation:

It is recommended that the District review all reconciling items great than one year old and determine the validity of the items.

Management's Response:

The District will review all reconciling items to ensure that they are valid.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2014 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bilingual and low income students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified on a test basis without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2014-15 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Pupil Transportation (Cont'd)

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal travel policy and procedure pertaining to travel expenses and reimbursements for its employees and board members. The regulations require the District to establish a maximum travel amount for the year and to account for these expenses within a separate account in the budget to ensure that the maximum is not exceeded. The regulations also require that all travel be approved by the Board prior to the event and that the approval list the event, total event cost and the individuals attending. Employees and board members attending an event are then required to complete a post event report to be submitted to a designated person within the District.

Facilities and Capital Assets

The District does not currently have any active construction projects which involve Schools Development Authority (“SDA”) grant agreements, transfer of local funds from the General Fund or from the Capital Reserve Account, or contracts for eligible facilities construction.

Management Suggestions:

Single Audit

Effective for the fiscal year ended June 30, 2016, there will be significant changes to the Single Audit. These changes include the following:

- An increase in the single audit threshold
- Low risk auditee criteria
- Type A and B threshold
- Coverage requirements for major programs tested for both low risk and non-low risk auditees.

Additionally, the cost principles and administrative requirements such as A-87 have been consolidated under the *OMB Uniform Guidance: Cost Principles, Audit and Administrative Requirements for Federal Awards*. This guidance was effective December 26, 2014 for all new federal awards and for any additional funding for existing awards made after December 26, 2014.

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board (“GASB”) statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

Management Suggestions: (Cont'd)

Deferred Compensation Plans

The District has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the District. The District should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the District's fiduciary responsibilities.

Independent Contractors vs. Employees

The District should consider reviewing the status of "Independent Contractors" utilized by the District with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Miscellaneous

Securities Exchange Commission's ("SEC") Municipalities Continuing Disclosure Cooperation Initiative

The District self-reported under the SEC's Municipalities Continuing Disclosure Cooperation Initiative as the District had failed to provide its most current adopted budget for the fiscal years ended June 30, 2010, 2011, 2012, and 2013. As the District has since filed the budget as required, no formal recommendation is warranted.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding reconciling items in the Student Activities Account in excess of one year old was not resolved in the current year and is included in the current year audit as a recommendation. The prior year recommendations regarding the Net Payroll Account having a cash deficit, the E-CERT 1 form not being filed in a timely manner, the submission of the Board Secretary's and Treasurer's reports in a timely manner to the County Superintendent, the District maintaining copies of B6T forms for transported non-public students, and appropriate approvals for travel reimbursements were all resolved in the current year and are not included in the audit.

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(MEMORANDUM ONLY)

NOT APPLICABLE

WALLKILL VALLEY REGIONAL HIGH SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	2015-16 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.S.A.		Workpapers				Selected from		Registers		Registers	
	On Roll		On Roll		Workpapers		On Roll		On Roll			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Grade Nine	131		131				131		131			
Grade Ten	140		140				140		140			
Grade Eleven	132		132				132		132			
Grade Twelve	117	1	117	1			117	1	117	1		
Subtotal	520	1	520	1			520	1	520	1		
Special Ed - High School	134		134				13		13			
Subtotal	134		134				13		13			
Totals	654	1	654	1	-0-	-0-	533	1	533	1	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

WALLKILL VALLEY REGIONAL HIGH SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

	Private Schools for Disabled				Resident Low Income					
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Grade Nine					22	22		2	2	
Grade Ten					16	16		2	2	
Grade Eleven					19	19		2	2	
Grade Twelve					11	11		1	1	
Subtotal					<u>68</u>	<u>68</u>		<u>7</u>	<u>7</u>	
Special Ed - High School	12	3	3		49	49		5	5	
Subtotal	<u>12</u>	<u>3</u>	<u>3</u>		<u>49</u>	<u>49</u>		<u>5</u>	<u>5</u>	
Totals	<u>12</u>	<u>3</u>	<u>3</u>	<u>-0-</u>	<u>117</u>	<u>117</u>	<u>-0-</u>	<u>12</u>	<u>12</u>	<u>-0-</u>
Percentage Error				<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

Resident LEP Low Income					
Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors

NOT APPLICABLE

WALLKILL VALLEY REGIONAL HIGH SCHOOL
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2014

Resident LEP Not Low Income					
Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors

NOT APPLICABLE

WALLKILL VALLEY REGIONAL HIGH SCHOOL
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2014

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	545	545		10	10	
Regular - Special Education	86	86		5	5	
Transported - Non Public	71	71		5	5	
AIL - Non Public	1	1				
Special Needs - Public	45	45		3	3	
Special Needs - Private	11	11		2	2	
Totals	<u>759</u>	<u>759</u>	<u>-0-</u>	<u>25</u>	<u>25</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Re- calculated
Average Mileage - Regular Including Grade PK Students	6.3	6.3
Average Mileage - Regular Excluding Grade PK Students	6.3	6.3
Average Mileage - Special Education with Special Needs	11.3	11.3

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2015

Section 1 - REGULAR DISTRICT

2014-15 Total General Fund Expenditures per the CAFR	<u>\$ 15,476,742</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 1,313,342</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
Adjusted 2014-15 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 14,163,400</u> (B3)	
2% of Adjusted 2014-15 General Fund Expenditures [(B5) times .02]	<u>\$ 283,268</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 283,268</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 84,350</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 367,618</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/15 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 1,598,390</u> (C)	
Decreased by:		
Assigned - Year End Encumbrances	<u>\$ 166,627</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 45,724</u> (C3)	
Other Restricted Fund Balances	<u>\$ 801,023</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 183,512</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 401,504</u> (U1)

Section 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-		<u>\$ 33,886</u> (E)
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WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2015
(continued)

Section 3Recapitulation of Excess Surplus as of June 30, 2015

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 45,724 (C3)
Restricted Excess Surplus [(E)]	<u>\$ 33,886 (E)</u>
Total [(C3)+(E)+(F)]	<u><u>\$ 79,610 (D)</u></u>

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
Sale and Lease Back	<u>\$ -0- (I)</u>
Extraordinary Aid	<u>\$ 74,540 (J1)</u>
Additional Nonpublic School Transportation Aid	<u>\$ 9,810 (J2)</u>
Total Adjustments [(H)+(I)+(J1)+(J2)]	<u><u>\$ 84,350 (K)</u></u>

Detail of Other Restricted Fund Balances

Statutory Restrictions:	
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 801,023</u>
Maintenance Reserve	<u>\$ -0-</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ -0-</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
Total Other Restricted Fund Balances	<u><u>\$ 801,023</u></u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

All reconciling items in excess of one year old be reviewed to ensure their validity.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding reconciling items in the Student Activities Account in excess of one year old was not resolved in the current year and is included in the audit. The prior year recommendations regarding the Net Payroll Account having a cash deficit, the E-CERT 1 form not being filed in a timely manner, the submission of the Board Secretary's and Treasurer's reports in a timely manner to the County Superintendent, the District maintaining copies of B6T forms for transported non-public students, and appropriate approvals for travel reimbursements were all resolved in the current year and are not included in the audit.