

**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, 2019**

**Comprehensive Annual
Financial Report**

of the

**Wallkill Valley Regional
High School District**

Hamburg, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

**Wallkill Valley Regional High School
For the Fiscal Year Ended June 30, 2019**

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	4
Roster of Officials.....	5
Consultants and Advisors.....	6
FINANCIAL SECTION	7
Independent Auditors' Report.....	8
Required Supplementary Information.....	11
Management's Discussion and Analysis (Unaudited).....	12
Basic Financial Statements (Sections A. and B.).....	20
A. District-Wide Financial Statements.....	21
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements	25
B-1 Balance Sheet – Governmental Funds.....	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	27
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
B-4 Statement of Net Position – Proprietary Funds	30
B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds.....	31
B-6 Statement of Cash Flows – Proprietary Funds.....	32
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	33
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds	34
Notes to the Basic Financial Statements	35
Required Supplementary Information (Unaudited)	71
L. Schedules Related to Accounting and Reporting for Pensions (Unaudited).....	72
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System.....	72
L-2 Schedule of District Contributions – Public Employees Retirement System	73
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Associated with the District - Teachers' Pension and Annuity Fund.....	74
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	75
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios	76
Notes to Required Supplementary Information.....	77
C. Budgetary Comparison Schedules (Unaudited)	80
C-1 Budgetary Comparison Schedule – General Fund.....	81
C-2 Budgetary Comparison Schedule – Budgetary Basis - Special Revenue Fund	92
C-3 Budgetary Comparison Schedule – Note to RSI	93

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	94
E. Special Revenue Fund	95
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	96
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	97
F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	98
F-1a Schedule of Project Revenues, Expenditures, Project Balance and Project Status Additions and Renovations to Wallkill Valley Regional High School.....	99
F-1b Schedule of Project Revenues, Expenditures, Project Balance and Project Status Solar Photovoltaic Project	100
G. Proprietary Funds	101
Enterprise Fund:	
G-1 Statement of Net Position	102
G-2 Statement of Revenue, Expenses and Changes in Net Position.....	103
G-3 Statement of Cash Flows	104
H. Fiduciary Funds.....	105
H-1 Combining Statement of Fiduciary Net Position.....	106
H-2 Combining Statement of Changes in Fiduciary Net Position	107
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	108
H-4 Student Activity Agency Fund Statement of Activity	109
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements	110
I. Long-Term Debt.....	111
I-1 Schedule of Serial Bonds.....	112
I-2 Schedule of Obligations Under Capital Leases (Not Applicable)	
I-3 Debt Service Fund Budgetary Comparison Schedule.....	113

STATISTICAL SECTION (UNAUDITED)

J. STATISTICAL SECTION (Unaudited).....	114
J-1 Net Position by Component.....	115
J-2 Changes in Net Position.....	116
J-3 Fund Balances – Governmental Funds	118

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

STATISTICAL SECTION (UNAUDITED) (Cont'd)

J-4	Changes in Fund Balances – Governmental Funds	119
J-5	General Fund Other Local Revenue by Source	121
J-6	Assessed Value and Actual Value of Taxable Property	122
J-7	Direct and Overlapping Property Tax Rates.....	124
J-8	Principal Property Taxpayers	126
J-9	Property Tax Levies and Collections.....	128
J-10	Ratios of Outstanding Debt by Type	129
J-11	Ratios of Net General Bonded Debt Outstanding.....	130
J-12	Ratios of Overlapping Governmental Activities Debt.....	131
J-13	Legal Debt Margin Information	132
J-14	Demographic and Economic Statistics	133
J-15	Principal Employers.....	135
J-16	Full-Time Equivalent District Employees by Function/Program	136
J-17	Operating Statistics.....	137
J-18	School Building Information	138
J-19	Schedule of Required Maintenance for School Facilities.....	139
J-20	Insurance Schedule	140
K.	SINGLE AUDIT SECTION.....	141
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	142
K-2	Report on Compliance for Each Major State Program: Report on Internal Control Over Compliance.....	144
K-3	Schedule of Expenditures of Federal Awards.....	146
K-4	Schedule of Expenditures of State Awards.....	147
K-5	Notes to the Schedules of Expenditures of Federal and State Awards.....	149
K-6	Schedule of Findings and Questioned Costs.....	151
K-7	Summary Schedule of Prior Audit Findings.....	153



Board of Education
Wallkill Valley Regional High School District

10 Grumm Road, Hamburg, NJ 07419

Phone (973) 827-4100

Fax (973) 827-8318

November 8, 2019

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, 2019, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. 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 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 2018-19 fiscal year with an average daily enrollment of 603 students, which is a decrease of 20 students from the previous year's average daily enrollment.

2) ECONOMIC CONDITION AND OUTLOOK: The growth in the constituent communities has slowed down considerably. Average daily enrollment at the high school decreased by 20 students over the previous year. As of June 30, 2019, the enrollment was 590 as of September 5, 2019 we had 603 students enrolled at Wallkill Valley Regional High School, a decrease of 13 students over the summer.

3) MAJOR INITIATIVES: A new chiller was installed and exterior lighting upgrades were done during the summer of 2018.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2019.

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.

The Honorable President and Members of
the Board of Education
Wallkill Valley Regional High School District
Page 3
November 8, 2019

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:

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. 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,

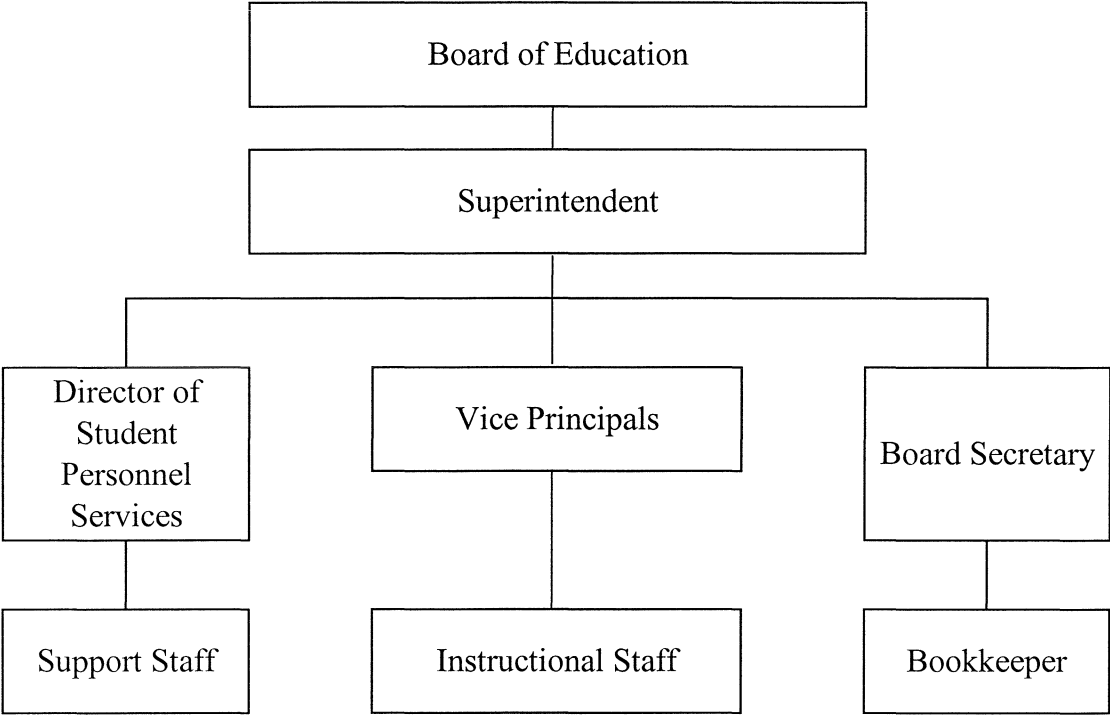


David Carr
Superintendent/Principal



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, 2019**

		<u>Term Expires</u>
<u>Members of the Board of Education</u>		
Thomas Kabatra	Franklin Borough	2019
Cynthia Rock	Hardyston Township	2021
Debra Lukacsko	Hardyston Township	2020
Virginia Jones, Vice President	Hamburg Borough	2020
Matthew Fasbach	Franklin Borough	2020
Suzanne Testino, President	Hardyston Township	2021
Guy G. McHugh	Hamburg Borough	2021
Robert Carlson	Hardyston Township	2019
Wayne McWilliams	Ogdensburg Borough	2019
 <u>Other Officers</u>		
David Carr	Superintendent/Principal	
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

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 07090

Official Depository

Sussex Bank
399 Route 23
Franklin, NJ 07416

FINANCIAL SECTION

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wallkill Valley Regional High School District, in the County of Sussex, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

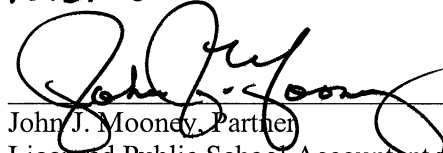
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 8, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP

NISIVOCCIA LLP



John J. Mooney, Partner

Licensed Public School Accountant #2602

Certified Public Accountant

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

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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, 2019. 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.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending. The fund financial statements present all funds of the District. The General Fund is by far the most significant fund.

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

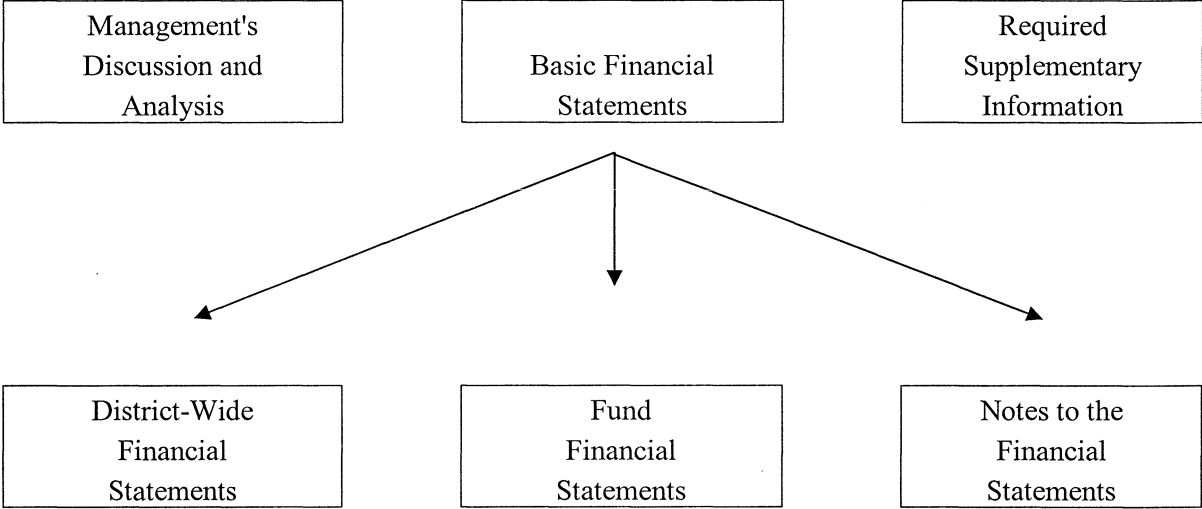


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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 is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

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

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

Notes to the Basic 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
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	
Current and Other Assets	\$ 1,928,334	\$ 1,897,910	\$ 36,317	\$ 30,925	\$ 1,964,651	\$ 1,928,835	
Capital Assets, Net	10,881,701	10,681,305	38,611	22,567	10,920,312	10,703,872	
Total Assets	12,810,035	12,579,215	74,928	53,492	12,884,963	12,632,707	-1.96%
Deferred Outflows of Resources	1,201,291	814,736			1,201,291	814,736	-32.18%
Other Liabilities	570,032	546,952	9,991	10,662	580,023	557,614	
Long-term Liabilities	6,415,345	5,197,912			6,415,345	5,197,912	
Total Liabilities	6,985,377	5,744,864	9,991	10,662	6,995,368	5,755,526	-17.72%
Deferred Inflows of Resources	636,588	1,042,829			636,588	1,042,829	63.82%
Net Investment in Capital Assets	8,036,786	8,187,619	38,611	22,567	8,075,397	8,210,186	
Restricted	702,231	1,314,502			702,231	1,314,502	
Unrestricted/ (Deficit)	(2,349,656)	(2,895,863)	26,326	20,263	(2,323,330)	(2,875,600)	
Total Net Position	\$ 6,389,361	\$ 6,606,258	\$ 64,937	\$ 42,830	\$ 6,454,298	\$ 6,649,088	3.02%

Changes in Net Position. The District's *combined* net position was \$6,649,088 on June 30, 2019, \$194,790 or 3.02% higher than it was the year before. (See Figure A-3). The net position of the business-type activities decreased \$22,107 (See Figure A-4). This is due to a change in net pension liability as well as changes in deferred inflows and outflows.

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	
Revenue:							
Program Revenue:							
Charges for Services			\$ 151,632	\$ 152,516	\$ 151,632	\$ 152,516	
Operating Grants and Contributions	\$ 9,716,952	\$ 8,546,259	62,746	66,012	9,779,698	8,612,271	
General Revenue:							
Property Taxes	10,727,310	10,925,383			10,727,310	10,925,383	
Other	181,261	247,033	30	52	181,291	247,085	
Total Revenue	<u>20,625,523</u>	<u>19,718,675</u>	<u>214,408</u>	<u>218,580</u>	<u>20,839,931</u>	<u>19,937,255</u>	-4.33%
Expenses:							
Instruction	10,965,435	10,542,029			10,965,435	10,542,029	
Pupil and Instruction Services	4,237,184	4,358,762			4,237,184	4,358,762	
Administrative and Business	1,746,190	1,551,426			1,746,190	1,551,426	
Maintenance and Operations	1,546,948	1,383,232			1,546,948	1,383,232	
Transportation	1,399,984	1,498,526			1,399,984	1,498,526	
Other	685,173	167,803	223,857	228,510	909,030	396,313	
Total Expenses	<u>20,580,914</u>	<u>19,501,778</u>	<u>223,857</u>	<u>228,510</u>	<u>20,804,771</u>	<u>19,730,288</u>	-5.16%
Other Item -							
Adjustment to Capital Asset				(12,177)		(12,177)	-100.00%
Increase/(Decrease) in Net Position	<u>\$ 44,609</u>	<u>\$ 216,897</u>	<u>\$ (9,449)</u>	<u>\$ (22,107)</u>	<u>\$ 35,160</u>	<u>\$ 194,790</u>	454.01%

Governmental Activities

As discussed elsewhere in this commentary, the financial position increased by \$216,897. Maintaining existing programs 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 most significant cost savings action implemented during the year was:

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

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017/18	2018/19	2017/18	2018/19
Instruction	\$ 10,965,435	\$10,542,029	\$ 3,048,120	\$ 3,573,682
Pupil and Instruction Services	4,237,184	4,358,762	3,372,665	3,613,123
Administrative and Business	1,746,190	1,551,426	1,361,119	1,269,763
Maintenance and Operations	1,546,948	1,383,232	1,477,736	1,356,036
Transportation	1,399,984	1,498,526	919,149	975,112
Other	685,173	167,803	685,173	167,803
	<u>\$ 20,580,914</u>	<u>\$ 19,501,778</u>	<u>\$ 10,863,962</u>	<u>\$10,955,519</u>

Business-Type Activities

Net position from the District's business-type activity decreased by \$22,107. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenues by \$9,930, accounting for the decrease in the net position of the business-type activities. There was also a capital asset adjustment in the amount of \$12,177. The current operation is run by Maschio's Food Service, Inc.

Financial Analysis of the District's Funds

The District's financial decreased due to 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.

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 Long-Term Liabilities

Figure A-6
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		% Change 2018/19
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	
Buildings, Building and Site Improvements	\$ 10,109,662	\$ 9,857,167			\$ 10,109,662	\$ 9,857,167	
Furniture, Machinery, and Equipment	772,039	824,138	\$ 38,611	\$ 22,567	810,650	846,705	
Total Capital Assets - (Net of Depreciation)	<u>\$ 10,881,701</u>	<u>\$ 10,681,305</u>	<u>\$ 38,611</u>	<u>\$ 22,567</u>	<u>\$ 10,920,312</u>	<u>\$ 10,703,872</u>	-1.98%

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2017/18	2018/19	
General Obligation Bonds (Financed with Property Taxes)	\$ 2,800,000	\$ 2,460,000	
Net Pension Liability	2,973,094	2,220,688	
Unamortized Bond Premium	44,915	33,686	
Other Long Term Liabilities	597,336	483,538	
	<u>\$ 6,415,345</u>	<u>\$ 5,197,912</u>	-18.98%

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 decreases 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 2019-2020 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 Every Student Succeeds Act 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 State of New Jersey made significant changes to its allocation of state aid which will take affect in 2019-20. As a result, Wallkill Valley Regional High School District will have a reduction of over \$150,000 in state aid compared to the 2018-19 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, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 482,135	\$ 9,072	\$ 491,207
Receivables from Other Governments	466,680		466,680
Receivables from State Government	197,468	76	197,544
Receivables from Federal Government		1,877	1,877
Internal Balances	(12,613)	12,613	
Other Receivables		603	603
Inventory		6,684	6,684
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	764,240		764,240
Capital Assets:			
Depreciable Buildings and Building Improvements, Site Improvements and Furniture, Machinery and Equipment	10,681,305	22,567	10,703,872
Total Assets	<u>12,579,215</u>	<u>53,492</u>	<u>12,632,707</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	814,736		814,736
Total Deferred Outflows of Resources	<u>814,736</u>		<u>814,736</u>
LIABILITIES			
Accounts Payable - Vendors	181,181	9,172	190,353
Accounts Payable - Cash Deficit	335,765		335,765
Interfund Payable	7,019		7,019
Unearned Revenue	4,229	1,490	5,719
Accrued Interest Payable	18,758		18,758
Noncurrent Liabilities:			
Due Within One Year	351,229		351,229
Due Beyond One Year	4,846,683		4,846,683
Total Liabilities	<u>5,744,864</u>	<u>10,662</u>	<u>5,755,526</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	1,042,829		1,042,829
Total Deferred Inflows of Resources	<u>1,042,829</u>		<u>1,042,829</u>
NET POSITION			
Net Investment in Capital Assets	8,187,619	22,567	8,210,186
Restricted for:			
Capital Projects	1,194,591		1,194,591
Debt Service	1,330		1,330
Excess Surplus	118,581		118,581
Unrestricted/(Deficit)	(2,895,863)	20,263	(2,875,600)
Total Net Position	<u>\$ 6,606,258</u>	<u>\$ 42,830</u>	<u>\$ 6,649,088</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,161,018		\$ 5,816,635	\$ (2,344,383)		\$ (2,344,383)
Special Education	1,443,615		1,108,835	(334,780)		(334,780)
Other Special Instruction	65,623		18,918	(46,705)		(46,705)
School Sponsored/Other Instruction	871,773		23,959	(847,814)		(847,814)
Support services:						
Tuition	1,639,622		128,009	(1,511,613)		(1,511,613)
Student & Instruction Related Services	2,719,140		617,630	(2,101,510)		(2,101,510)
General Administrative Services	657,502		114,861	(542,641)		(542,641)
School Administrative Services	654,608		158,454	(496,154)		(496,154)
Central Services	239,316		8,348	(230,968)		(230,968)
Plant Operations and Maintenance	1,383,232		27,196	(1,356,036)		(1,356,036)
Pupil Transportation	1,498,526		523,414	(975,112)		(975,112)
Interest on Long-Term Debt	83,146			(83,146)		(83,146)
Unallocated Depreciation	46,011			(46,011)		(46,011)
Capital Outlay	38,646			(38,646)		(38,646)
Total Governmental Activities	19,501,778	\$ -0-	8,546,259	(10,955,519)	\$ -0-	(10,955,519)

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Food Service	\$ 228,510	\$ 152,516	\$ 66,012		\$ (9,982)	\$ (9,982)
Total Business-Type Activities	228,510	152,516	66,012		(9,982)	(9,982)
Total Primary Government	\$ 19,730,288	\$ 152,516	\$ 8,612,271	\$ (10,955,519)	\$ (9,982)	\$ (10,965,501)

General Revenues and Other Item:

Taxes:						
Property Taxes, Levied for General Purposes, Net	\$ 10,490,565				\$ 10,490,565	
Taxes Levied for Debt Service	434,818				434,818	
Interest on Investments	3,238			\$ 52	3,290	
Interest Earned in Capital Projects	897				897	
Miscellaneous Income	242,898				242,898	
Other Item - Capital Asset Adjustment				(12,177)	(12,177)	
Total General Revenue and Other Item	11,172,416			(12,125)	11,160,291	
Change in Net Position		216,897		(22,107)	194,790	
Net Position - Beginning		6,389,361		64,937	6,454,298	
Net Position - Ending		\$ 6,606,258		\$ 42,830	\$ 6,649,088	

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

FUND FINANCIAL STATEMENTS

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents		\$ 25,822	\$ 433,734	\$ 22,579	\$ 482,135
Receivables From Local Governments	\$ 466,680				466,680
Receivables From State Government	197,468				197,468
Interfund Receivable	24,633			3,383	28,016
Restricted Cash and Cash Equivalents	764,240				764,240
Total Assets	<u>\$ 1,453,021</u>	<u>\$ 25,822</u>	<u>\$ 433,734</u>	<u>\$ 25,962</u>	<u>\$ 1,938,539</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable - Vendors	\$ 52,046	\$ 21,592			\$ 73,638
Accounts Payable - Cash Deficit	335,765				335,765
Interfund Payable	19,632	1	\$ 3,383	\$ 24,632	47,648
Unearned Revenue		4,229			4,229
Total Liabilities	<u>407,443</u>	<u>25,822</u>	<u>3,383</u>	<u>24,632</u>	<u>461,280</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	764,240				764,240
Excess Surplus	118,581				118,581
Capital Projects Fund			430,351		430,351
Debt Service Fund				1,330	1,330
Assigned to:					
Year-end Encumbrances	86,631				86,631
For Subsequent Year's Expenditures	76,126				76,126
Total Fund Balances	<u>1,045,578</u>		<u>430,351</u>	<u>1,330</u>	<u>1,477,259</u>
Total Liabilities and Fund Balances	<u>\$ 1,453,021</u>	<u>\$ 25,822</u>	<u>\$ 433,734</u>	<u>\$ 25,962</u>	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not	10,559,870
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.	(2,943,538)
Bond Premiums are Reported as revenue in the Governmental Funds. The Premium is \$157,196 and the accumulated Amortization is \$123,510.	(33,686)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.	(18,758)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(2,220,688)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	707,193
Deferred Inflows	(1,042,829)
Net Position of Governmental Activities	<u>\$ 6,484,823</u>

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

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 10,490,565			\$ 434,818	\$ 10,925,383
Interest on Investments	3,003		\$ 897		3,900
Interest Earned on Capital Reserve Funds	235				235
Unrestricted Miscellaneous	228,699	\$ 20,499			249,198
Total - Local Sources	<u>10,722,502</u>	<u>20,499</u>	<u>897</u>	<u>434,818</u>	<u>11,178,716</u>
State Sources	6,907,919				6,907,919
Federal Sources	1,617	232,088			233,705
Total Revenue	<u>17,632,038</u>	<u>252,587</u>	<u>897</u>	<u>434,818</u>	<u>18,320,340</u>
EXPENDITURES:					
Current:					
Regular Instruction	4,528,516				4,653,094
Special Education Instruction	818,867	124,578			818,867
Other Special Instruction	36,672				36,672
School Sponsored/Other Instruction	706,325				706,325
Support Services and Undistributed Costs:					
Tuition	1,511,613	128,009			1,639,622
Student & Instruction Related Services	1,698,724				1,698,724
General Administrative Services	476,915				476,915
School Administrative Services	380,280				380,280

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	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	\$ 181,670				\$ 181,670
Plant Operations and Maintenance	1,064,202				1,064,202
Pupil Transportation	1,498,526				1,498,526
Benefits - Allocated and Unallocated	4,469,256				4,469,256
Debt Service:					
Principal				\$ 340,000	340,000
Interest and Other Charges				95,250	95,250
Capital Outlay	276,613				276,613
Total Expenditures	<u>17,648,179</u>	<u>\$ 252,587</u>		<u>435,250</u>	<u>18,336,016</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	<u>(16,141)</u>		<u>\$ 897</u>	<u>(432)</u>	<u>(15,676)</u>
OTHER FINANCING SOURCES/(USES):					
Transfers In				897	897
Transfers Out			(897)		(897)
Total Other Financing Sources/(Uses)			<u>(897)</u>	<u>897</u>	
Net Change in Fund Balances	(16,141)			465	(15,676)
Fund Balance—July 1	1,061,719		430,351	865	1,492,935
Fund Balance—June 30	<u>\$ 1,045,578</u>	<u>\$ -0-</u>	<u>\$ 430,351</u>	<u>\$ 1,330</u>	<u>\$ 1,477,259</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (15,676)

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	\$ (427,608)	
	Addition of Capital Assets	105,777	(321,831)

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 340,000

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 (+). 113,798

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. 875

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. 11,229

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		752,406	
Change in Deferred Outflows		(379,098)	
Change in Deferred Inflows		(406,241)	

Change in Net Position of Governmental Activities (A-2) \$ 95,462

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 9,072
Accounts Receivable:	
State	76
Federal	1,877
Other Accounts Receivable	603
Interfund Receivable	12,613
Inventories	6,684
	30,925
Total Current Assets	30,925
Non-Current Assets:	
Capital Assets	96,205
Less: Accumulated Depreciation	(73,638)
	22,567
Total Non-Current Assets	22,567
Total Assets	53,492
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	9,172
Unearned Revenue	1,490
	10,662
Total Current Liabilities	10,662
<u>NET POSITION:</u>	
Investment in Capital Assets	22,567
Unrestricted	20,263
	42,830
Total Net Position	\$ 42,830

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, 2019

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 87,348
Daily Sales - Non-Reimbursable Programs	65,168
	152,516
Total Operating Revenue	152,516
Operating Expenses:	
Cost of Sales - Reimbursable Programs	70,112
Cost of Sales - Non Reimbursable Programs	48,742
Salaries & Payroll Taxes	69,848
Employee Benefits	17,014
Management Fee	9,033
Professional and Technical Services	3,570
Depreciation Expense	3,867
Other Miscellaneous Expenses	6,324
	228,510
Total Operating Expenses	228,510
Operating (Loss)	(75,994)
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	2,074
Federal Sources:	
National School Lunch Program	48,507
Food Distribution Program	15,431
Local Sources:	
Interest on Investments	52
	66,064
Total Non-Operating Revenue	66,064
Change in Net Position Before Other Item	(9,930)
Other Item - Capital Asset Adjustment	(12,177)
Change in Net Position After Other Item	(22,107)
Net Position - Beginning of Year	64,937
Net Position - End of Year	\$ 42,830

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, 2019

	Business-type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 152,516
Payments to Employees	(69,848)
Payments for Benefits	(17,014)
Payments to Food Service Vendor	(9,033)
Payments to Suppliers	(113,439)
Net Cash Used for Operating Activities	(56,818)
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	51,414
Net Cash Provided by Noncapital Financing Activities	51,414
Cash Flows from Investing Activities:	
Investment Income	52
Net Cash Flows Provided by Investing Activities	52
Net Decrease in Cash and Cash Equivalents	(5,352)
Cash and Cash Equivalents, July 1	14,424
Cash and Cash Equivalents, June 30	\$ 9,072
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (75,994)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Federal Food Distribution Program	15,431
Depreciation	3,867
Changes in Assets and Liabilities:	
(Increase) in Inventory	(491)
(Increase) in Accounts Receivable	(302)
Increase in Accounts Payable	129
Increase in Unearned Revenue	542
Net Cash Used for Operating Activities	\$ (56,818)

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 \$15,973 and utilized commodities valued at \$15,431.

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, 2019

	<u>Agency Funds</u>	<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 215,509	\$ 74,547	\$ 7,852	\$ 297,908
Interfund Receivable - General Fund	7,019			7,019
Total Assets	<u>222,528</u>	<u>74,547</u>	<u>7,852</u>	<u>304,927</u>
<u>LIABILITIES:</u>				
Net Salaries and Wages	8,014			8,014
Payroll Deductions and Withholdings Due to Student Groups	55,201			55,201
	159,313			159,313
Total Liabilities	<u>222,528</u>			<u>222,528</u>
<u>NET POSITION:</u>				
Held in Trust for Unemployment Claims			7,852	7,852
Restricted For Scholarships		74,547		74,547
Total Net Position	<u>\$ -0-</u>	<u>\$ 74,547</u>	<u>\$ 7,852</u>	<u>\$ 82,399</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, 2019

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations		\$ 6,516	\$ 6,516
Total Contributions		6,516	6,516
Investment Earnings:			
Interest	\$ 16	173	189
Net Investment Earnings	16	173	189
Total Additions	16	6,689	6,705
DEDUCTIONS:			
Scholarships Awarded		5,400	5,400
Total Deductions		5,400	5,400
Change in Net Position	16	1,289	1,305
Net Position - Beginning of the Year	7,836	73,258	81,094
Net Position - End of the Year	\$ 7,852	\$ 74,547	\$ 82,399

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, 2019

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

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

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

The District reports the following governmental funds:

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of 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.

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, Private Purpose 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2019 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,612,707	\$ 246,287
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures, and Revenue while the GAAP Basis does not.		6,300
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	461,158	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(441,827)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 17,632,038</u>	<u>\$ 252,587</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,648,179	\$ 246,287
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		<u>6,300</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 17,648,179</u>	<u>\$ 252,587</u>

E. Cash and Cash Equivalents and Investments:

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

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

New Jersey school districts are limited as to 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

E. Cash and Cash Equivalents and Investments: (Cont'd)

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.

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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as 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, 2019.

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 acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery 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 governmental activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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, 2019.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$1,045,578 General Fund fund balance at June 30, 2019, \$86,631 is assigned for year-end encumbrances; \$764,240 is restricted for the capital reserve account; \$118,581 is current year excess surplus which will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2021, \$76,126 is assigned for subsequent year's expenditures which is \$72,419 less on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2018; and \$0 is unassigned which is \$369,408 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, 2020.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2019 of \$430,351 is restricted.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2019 of \$1,330 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, 2019.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$441,827 (\$369,408 in unassigned fund balance, \$72,419 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

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 \$2,895,863 deficit in its governmental activities Unrestricted Net Position at June 30, 2019 primarily due to the accrual of interest, unamortized bond premiums, compensated absences payable, net pension liability and the related deferred inflows and outflows; offset by the assigned General Fund fund balances. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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 pensions and had deferred outflows of resources for pensions.

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

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

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned. Fund balance restrictions have been established for a capital reserve, 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, 2019.

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, 2019.

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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Deposits:

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

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;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law”, P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) ; or

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2019, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents <hr/> Capital Reserve Account	Total
Checking and Savings Accounts	\$ 453,350	\$ 764,240	\$ 1,217,590
	<hr/> \$ 453,350	<hr/> \$ 764,240	<hr/> \$ 1,217,590

During the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$1,217,590 and the bank balance was \$2,124,830.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 271,015
Increased by:	
Board Resolution June 26, 2019	500,000
Interest Earnings	235
Unexpended Capital Reserve Withdrawal	177,990
Decreased by:	
Budgeted Withdrawal	<u>(185,000)</u>
Ending Balance, June 30, 2019	<u>\$ 764,240</u>

The June 30, 2019 Long Range Facilities Plan (LRFP) balance of local support costs of uncompleted capital projects at June 30, 2019 is equal to or greater than \$764,240. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. TRANSFER TO CAPITAL OUTLAY:

During the year ended June 30, 2019, the District made transfers to capital outlay accounts in the amount of \$59,900 for construction services which was approved by the county superintendent.

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 88,985
Other Instruction	51,099
General Administrative Services	85,735
School Administrative Services	22,578
Plant Operation and Maintenance	133,200
Unallocated	<u>46,011</u>
	<u>\$ 427,608</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2019 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	\$ 18,235,483			\$ 18,235,483
Machinery and Equipment	1,463,511	\$ 227,212	\$ (20,419)	1,670,304
Total Capital Assets Being Depreciated	<u>19,698,994</u>	<u>227,212</u>	<u>(20,419)</u>	<u>19,905,787</u>
Governmental Activities Capital Assets	<u>19,698,994</u>	<u>227,212</u>	<u>(20,419)</u>	<u>19,905,787</u>
Less Accumulated Depreciation for:				
Buildings, Building Improvements and Site Improvements	(8,125,821)	(252,495)		(8,378,316)
Machinery and Equipment	(691,472)	(175,113)	20,419	(846,166)
	<u>(8,817,293)</u>	<u>(427,608)</u>	<u>20,419</u>	<u>(9,224,482)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,881,701</u>	<u>\$ (200,396)</u>	<u>\$ -0-</u>	<u>\$ 10,681,305</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 103,725		(7,520)	\$ 96,205
Less Accumulated Depreciation	(65,114)	\$ (3,867)	(4,657)	(73,638)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 38,611</u>	<u>\$ (3,867)</u>	<u>\$ (12,177)</u>	<u>\$ 22,567</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance 6/30/18</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/19</u>	<u>Payable Within One Year</u>
Bond Payable	\$ 2,800,000		\$ 340,000	\$ 2,460,000	\$ 340,000
Unamortized Bond Premium	44,915		11,229	33,686	11,229
Compensated Absences Payable	597,336	\$ 32,710	146,508	483,538	
Net Pension Liability	2,973,094		752,406	2,220,688	
	<u>\$ 6,415,345</u>	<u>\$ 32,710</u>	<u>\$ 1,250,143</u>	<u>\$ 5,197,912</u>	<u>\$ 351,229</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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, 2019 as follows:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Serial Bonds Interest Rate</u>	<u>Amount</u>
2008 Refunding Bonds	7/15/2021	4.25%	\$ 720,000
Solar Panel Purchase and Installation	9/1/2031	2.50%-3.75%	1,740,000
			<u>\$ 2,460,000</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>	
2020	\$ 340,000	\$ 83,194	\$ 423,194
2021	340,000	70,350	410,350
2022	370,000	56,669	426,669
2023	120,000	47,725	167,725
2024	125,000	43,737	168,737
2025-2029	700,000	148,250	848,250
2030-2032	465,000	25,775	490,775
	<u>\$2,460,000</u>	<u>\$ 475,700</u>	<u>\$2,935,700</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, 2019.

C. Bonds and Notes Authorized but not Issued

The District had no bonds and notes authorized by not issued at June 30, 2019.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. LONG-TERM LIABILITIES (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 \$483,538. 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, 2019, 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, 2019 is \$-0- and the long term portion is \$2,220,688. See Note 8 for further information on the PERS.

F. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$11,229 and is separate from the long-term liability balance of \$22,457.

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/financial-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, 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, 2019
(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 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a 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. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began 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 \$112,872 for fiscal year 2019.

The employee contribution rate was 7.50% effective July1, 2018.

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

At June 30, 2019, the District reported a liability of \$2,220,688 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.0113%, which was a decrease of 0.0015% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$145,118. At June 30, 2019, 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, 2019
(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)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 17,577	
	2015	5.72	79,332	
	2016	5.57	269,025	
	2017	5.48		\$ 409,367
	2018	5.63		300,691
			<u>365,934</u>	<u>710,058</u>
Difference Between Expected and Actual Experience	2015	5.72	22,011	
	2016	5.57	8,164	
	2017	5.48	12,175	
	2018	5.63		11,451
			<u>42,350</u>	<u>11,451</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00		
	2015	5.00		(13,419)
	2016	5.00		(75,018)
	2017	5.00		67,520
	2018	5.00		41,747
				<u>20,830</u>
Changes in Proportion	2014	6.44		23,494
	2015	5.72	39,550	
	2016	5.57	6,209	
	2017	5.48	253,150	
	2018	5.63		276,996
			<u>298,909</u>	<u>300,490</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	107,543	
			<u>\$ 814,736</u>	<u>\$ 1,042,829</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(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)

Fiscal Year Ending June 30,	Total
2019	\$ 15,413
2020	(21,338)
2021	(153,018)
2022	(132,639)
2023	(42,473)
	\$ (334,055)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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, 2019
(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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2018 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 2,792,259	\$ 2,220,688	\$ 1,741,176

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/financial-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2019, the State of New Jersey contributed \$1,182,811 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,176,583.

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

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$37,336,427. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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)

forward to June 30, 2018. 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, 2018, the District's proportion was 0.058%, which was an increase of 0.002% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		<u>37,336,427</u>
Total	\$	<u><u>37,336,427</u></u>

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$2,176,583 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

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

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	8.50	\$ 1,076,424,469	
	2015	8.30	3,063,649,492	
	2016	8.30	6,913,685,892	
	2017	8.30		\$ 10,084,192,916
	2018	8.29		<u>5,994,557,085</u>
			<u>11,053,759,853</u>	<u>16,078,750,001</u>
Difference Between Expected and Actual Experience	2014	8.50		10,252,211
	2015	8.30	189,214,650	
	2016	8.30		85,977,601
	2017	8.30	179,419,108	
	2018	8.29	<u>1,051,605,259</u>	
			<u>1,420,239,017</u>	<u>96,229,812</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.0		(192,642,062)
	2016	5.0		(863,710,381)
	2017	5.0		678,024,787
	2018	5.0		<u>384,121,486</u>
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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)

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

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined 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 2040. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2040, 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, 2019
(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 State's proportionate share of the net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 44,130,948	\$ 37,336,427	\$ 31,703,935

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 \$4,429 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$7,917 for the fiscal year ended June 30, 2019.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. 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, 2019 is not available as of the date of this report. Selected, summarized financial information for the NJSIG as of June 30, 2018 is as follows:

	New Jersey Schools Insurance Group (NJSIG)
Total Assets	\$ 342,337,056
Net Position	\$ 82,580,855
Total Revenue	\$ 133,258,299
Total Expenses	\$ 129,340,074
Change in Net Position	\$ 3,918,225
Member Dividends	\$ -0-

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

New Jersey Schools Insurance Group
6000 Midlantic Drive
Mount Laurel, NJ 08054
Phone: (609) 386-6060
Fax: (609) 386-8877

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

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>
2018-2019	\$ -0-	\$ 16	\$ -0-	\$ -0-	\$ 7,852
2017-2018	-0-	7	-0-	-0-	7,836
2016-2017	-0-	8	-0-	-0-	7,829

NOTE 10. 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 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the fund financial statements at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 24,633	\$ 19,632
Special Revenue Fund		1
Capital Projects Fund		3,383
Debt Service Fund	3,383	24,632
Payroll Agency Fund	7,019	
Enterprise Fund - Food Service	12,613	
	<u>\$ 47,648</u>	<u>\$ 47,648</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 \$3,383 due from the Capital Projects Fund to the Debt Service Fund for interest earned in the current and prior years which was not transferred. \$12,613 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 a cancellation of a local grant. The interfund receivable in Payroll Agency is due to needing an advance to pay subsequent bills.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2019, were:

	<u>Governmental Funds</u>		<u>Contributions Subsequent to Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Total Enterprise Fund/Business Type-Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			
Vendors	\$ 52,046	\$ 21,592		\$ 73,638	\$ 9,172
Due to the State of New Jersey			\$ 107,543	107,543	
	<u>\$ 52,046</u>	<u>\$ 21,592</u>	<u>\$ 107,543</u>	<u>\$ 181,181</u>	<u>\$ 9,172</u>

NOTE 13. DEFERRED COMPENSATION

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

VALIC
Equitable Financial Companies
Metropolitan Life

Lincoln National
Siracusa Benefits

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the local and regional school districts on predetermined, agreed-upon schedules.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Total Governmental Funds</u>
\$ 86,631	\$ 86,631
<u>\$ 86,631</u>	<u>\$ 86,631</u>

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

General Information about the OPEB Plan (Cont'd)

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

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

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

Employees Covered by Benefit Terms

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

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

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

Mortality Rates

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Health Care Trend Assumptions

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

Discount Rate

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

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2016	\$ 29,013,260
Changes for Year:	
Service Cost	832,097
Interest Cost	1,056,891
Changes in Assumptions	(2,084,443)
Differences Between Expected and Actual Experiences	(2,899,415)
Member Contributions	23,350
Gross Benefit Payments	<u>(675,607)</u>
Net Changes	<u>(3,747,127)</u>
Balance at June 30, 2017	<u>\$ 25,266,133</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 29,869,713	\$ 25,266,133	\$ 21,606,763

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

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

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 20,883,930	\$ 25,266,133	\$ 31,061,764

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$947,384 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

	<u>Year of Deferral</u>	<u>Original Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ (3,068,998)
Changes in Assumptions	2018	9.51		(2,594,535)
			<u>-0-</u>	<u>(5,663,533)</u>
Differences Between Expected and Actual Experience	2018	9.51		(2,452,642)
Changes in Proportion	N/A	N/A		(65,322)
			<u>\$ -0-</u>	<u>\$ (8,181,497)</u>

N/A - Not Available

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ (1,000,117)
2020	(1,000,117)
2021	(1,000,117)
2022	(1,000,117)
2023	(1,000,117)
Thereafter	(3,115,592)
	<u>\$ (8,116,175)</u>

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
District's proportion of the net pension liability	0.0101924394%	0.0108757172%	0.0109434448%	0.0127718986%
District's proportionate share of the net pension liability	\$ 1,908,303	\$ 2,441,381	\$ 3,241,134	\$ 2,973,094
District's covered employee payroll	\$ 728,610	\$ 737,311	\$ 852,512	\$ 818,171
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	261.91%	331.12%	380.19%	363.38%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%
				53.60%
				0.0112785366%
				2,220,688
				756,853
				293.41%

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 84,025	\$ 93,502	\$ 97,220	\$ 120,045	\$ 112,872
Contributions in relation to the contractually required contribution	(84,025)	(93,502)	(97,220)	(120,045)	(112,872)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 715,482	\$ 728,610	\$ 737,311	\$ 852,512	\$ 818,171
Contributions as a percentage of covered employee payroll	11.74%	12.83%	13.19%	14.08%	13.80%

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 STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.0682367108%	0.0627778436%	0.0594575150%	0.0560857075%	0.0586886005%
State's proportionate share of the net pension liability attributable to the District	\$ 35,111,347	\$ 39,678,278	\$ 46,773,067	\$ 37,815,006	\$ 37,336,427
District's covered employee payroll	\$ 5,832,327	\$ 5,943,830	\$ 6,181,216	\$ 6,281,165	\$ 6,230,969
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	602.01%	667.55%	756.70%	602.04%	599.21%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

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 STATE CONTRIBUTIONS - ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 1,889,320	\$ 2,422,716	\$ 3,514,345	\$ 2,619,632	\$ 2,176,583
Contributions in relation to the contractually required contribution	(339,400)	(476,040)	(608,796)	(864,276)	(1,182,811)
Contribution deficiency/(excess)	<u>\$ 1,549,920</u>	<u>\$ 1,946,676</u>	<u>\$ 2,905,549</u>	<u>\$ 1,755,356</u>	<u>\$ 993,772</u>
District's covered employee payroll	\$ 5,832,327	\$ 5,943,830	\$ 6,181,216	\$ 6,281,165	\$ 6,230,969
Contributions as a percentage of covered employee payroll	5.82%	8.01%	9.85%	13.76%	18.98%

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 CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2017	2018
Total OPEB Liability		
Service Cost	\$ 1,002,548	\$ 832,097
Interest Cost	913,581	1,056,891
Changes in Assumptions	(3,629,876)	(2,084,443)
Differences Between Expected and Actual Experiences		(2,899,415)
Member Contributions	24,745	23,350
Gross Benefit Payments	(672,009)	(675,607)
Net Change in Total OPEB Liability	(2,361,011)	(3,747,127)
Total OPEB Liability - Beginning	31,374,271	29,013,260
Total OPEB Liability - Ending	\$ 29,013,260	\$ 25,266,133
District's Covered Employee Payroll *	\$ 6,681,141	\$ 7,033,728
Total OPEB Liability as a Percentage of Covered Employee Payroll	434.26%	359.21%

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)
(Continued)

B. TEACHERS' PENSION AND ANNUITY FUND (Cont'd)

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

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

GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,490,565	\$	\$ 10,490,565	\$ 10,490,565	\$ 3,003
Interest Earned				3,003	\$ 3,003
Interest Earned on Capital Reserve Funds				235	235
Unrestricted Miscellaneous	1,000		1,000	228,699	227,699
Total - Local Sources	10,491,565		10,491,565	10,722,502	230,937
State Sources:					
School Choice Aid	4,252		4,252	4,252	
Transportation Aid	508,608		508,608	508,608	
Special Education Aid	525,097		525,097	525,097	
Equalization Aid	2,938,820		2,938,820	2,938,820	
Security Aid	67,325		67,325	67,325	
Adjustment Aid	627,215	\$ (141,910)	485,305	485,305	
Extraordinary Aid	100,000		100,000	160,129	60,129
Non-public Transportation Aid	73,867		73,867	14,806	(59,061)
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,158,559	1,158,559
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				536,521	536,521
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				24,252	24,252
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,149	1,149
TPAF Social Security (Reimbursed - Non-Budgeted)				463,765	463,765
Total State Sources	4,845,184	(141,910)	4,703,274	6,888,588	2,185,314
Federal Sources:					
Medicaid Assistance Program	24,521		24,521	1,617	(22,904)
Total Federal Sources	24,521		24,521	1,617	(22,904)
TOTAL REVENUES	15,361,270	(141,910)	15,219,360	17,612,707	2,393,347

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 4,090,274	\$ 156,640	\$ 4,246,914	\$ 4,246,914	
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	7,827	17,827	17,827	
Other Purchased Services	3,400	4,659	8,059	8,059	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	35,440	(1,470)	33,970	32,330	\$ 1,640
Other Purchased Services (400-500 series)	63,737	7,750	71,487	57,804	13,683
General Supplies	187,566	(21,400)	166,166	155,834	10,332
Textbooks	25,925	(18,639)	7,286	7,286	
Other Objects	4,325	(70)	4,255	2,462	1,793
Total Regular Programs - Instruction	4,420,667	135,297	4,555,964	4,528,516	27,448
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	81,533	17,119	98,652	91,319	7,333
Other Purchased Services (400-500 series)		34	34	34	
General Supplies	8,000	324	8,324	7,585	739
Other Objects		880	880	880	
Total Learning and/or Language Disabilities	89,533	18,357	107,890	99,818	8,072
Behavioral Disabilities					
Salaries of Teachers	77,238	7,763	85,001	85,001	
General Supplies	3,000	(985)	2,015	1,352	663
Other Objects		652	652	652	
Total Behavioral Disabilities	80,238	7,430	87,668	87,005	663

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 608,324	\$ (4,137)	\$ 604,187	\$ 604,187	\$ 897
Other Purchased Services (400-500 Series)	900	(3)	897		
General Supplies	8,000	(4,060)	3,940	3,783	157
Textbooks	2,000	(2,000)			
Other Objects	400	(400)			
Total Resource Room/Resource Center	619,624	(10,600)	609,024	607,970	1,054
Home Instruction:					
Purchased Professional/Educational Services	2,000	22,074	24,074	24,074	
Total Home Instruction	2,000	22,074	24,074	24,074	
Total Special Education Instruction	791,395	37,261	828,656	818,867	9,789
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	26,465	10,207	36,672	36,672	
General Supplies	450		450		450
Total Basic Skills/Remedial - Instruction	26,915	10,207	37,122	36,672	450
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries	84,534	(458)	84,076	71,181	12,895
Other Purchased Services (400-500 Series)	1,800		1,800	1,800	
Transfer to Cover Deficit	45,605		45,605	45,605	
Total School-Sponsored Co-Curricular Activities - Instruction	131,939	(458)	131,481	118,586	12,895

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Co-Curricular Athletics - Instruction:					
Salaries	\$ 414,579	\$ (7,127)	\$ 407,452	\$ 401,124	\$ 6,328
Other Purchased Services (400-500 Series)	79,622	(5,460)	74,162	73,961	201
Supplies and Materials	75,076	(841)	74,235	73,642	593
Other Objects	29,856	9,156	39,012	39,012	
Total School-Sponsored Co-Curricular Athletics - Instruction	599,133	(4,272)	594,861	587,739	7,122
Total Instruction	5,970,049	178,035	6,148,084	6,090,380	57,704
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	92,984	159,941	252,925	250,970	1,955
Tuition to County Vocational School District - Regular	317,426	(69,781)	247,645	236,725	10,920
Tuition to County Vocational School District - Special	68,386	(682)	67,704	65,738	1,966
Tuition - Other	16,821	1,942	18,763	9,940	8,823
Tuition to Private Schools for the Disabled Within State	1,070,731	(75,996)	994,735	948,240	46,495
Total Undistributed Expenditures - Instruction	1,566,348	15,424	1,581,772	1,511,613	70,159
Health Services:					
Salaries	77,584	11,836	89,420	88,964	456
Purchased Professional/Technical Services	17,700	(11,836)	5,864	4,613	1,251
Other Purchased Services (400-500 series)	200		200	200	
Supplies and Materials	8,335		8,335	7,984	351
Other Objects	200		200	200	
Total Health Services	104,019		104,019	101,561	2,458

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	\$ 119,900	\$ (38,684)	\$ 81,216	\$ 70,595	\$ 10,621
Other Objects	1,000		1,000		1,000
Total Speech, OT, PT and Related Services	120,900	(38,684)	82,216	70,595	11,621
Other Support Services - Students - Extra Services:					
Salaries	149,800	(9,757)	140,043	125,323	14,720
Purchased Professional - Educational Services	312,897	475	313,372	308,672	4,700
Supplies and Materials		1,122	1,122	1,122	
Total Other Support Services - Students - Extra Services	462,697	(8,160)	454,537	435,117	19,420
Guidance:					
Salaries of Other Professional Staff	327,617		327,617	327,365	252
Salaries of Secretaries and Clerical Assistants	44,009		44,009	40,136	3,873
Other Purchased Professional/Technical Services	6,500		6,500	1,904	4,596
Other Purchased Services (400-500 series)	13,800		13,800	10,790	3,010
Supplies and Materials	12,545		12,545	4,411	8,134
Other Objects	1,000		1,000		1,000
Total Guidance	405,471		405,471	384,606	20,865
Child Study Teams:					
Salaries of Other Professional Staff	304,474	(144)	304,330	276,704	27,626
Salaries of Secretarial and Clerical Assistants	42,052		42,052	41,695	357
Other Purchased Professional/Technical Services	20,000	(348)	19,652	19,652	
Miscellaneous Purchased Services	9,471	2,953	12,424	6,846	5,578
Supplies and Materials	7,476	(3,085)	4,391	4,020	371
Other Objects	1,500		1,500	1,018	482
Total Child Study Teams	384,973	(624)	384,349	330,283	54,066

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 140,884	\$	\$ 140,884	\$ 139,841	\$ 1,043
Salaries of Other Professional Staff	51,122		51,122	50,602	520
Total Improvement of Instructional Services	192,006		192,006	190,443	1,563
Educational Media Services/School Library:					
Salaries	142,566	\$ 851	143,417	141,778	1,639
Purchased Professional/Technical Services	6,800		6,800	6,361	439
Other Purchased Services (400-500 series)	26,639	(930)	25,709	16,744	8,965
Supplies and Materials	16,099	79	16,178	16,178	
Other Objects	150		150		150
Total Educational Media Services/School Library	192,254		192,254	181,061	11,193
Instructional Staff Training Services:					
Purchased Professional/Educational Services	1,500	3,100	4,600	4,600	
Other Purchased Services (400-500 series)	5,000	(3,100)	1,900	458	1,442
Total Instructional Staff Training Services	6,500		6,500	5,058	1,442
Support Services - General Administration:					
Salaries	247,760	(25,117)	222,643	222,643	
Legal Services	20,000	(1,033)	18,967	18,967	
Audit Fees	30,000	(1,050)	28,950	28,950	
Architectural / Engineering Fee	10,000	10,300	20,300	20,300	
Other Purchased Professional Services	17,000	(46)	16,954	16,954	
Purchased Technical Services	3,900	1,458	5,358	5,358	
Communications/Telephones	31,600	3,769	35,369	35,369	
BOE Other Purchased Services	4,000	(1,903)	2,097	2,097	
Other Purchased Services (400-500 series)	97,966	3,883	101,849	101,849	
General Supplies	4,615	18,451	23,066	18,246	4,820

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration (Cont'd):					
BOE In-House Training/Meeting	\$ 400	\$ (324)	\$ 76	\$ 76	
Miscellaneous Expenditures	10,030	(7,129)	2,901	2,901	
ACA- Employer Shared Responsibility Payment		525	525	525	
BOE Membership Dues and Fees	3,600	(920)	2,680	2,680	
Total Support Services - General Administration	480,871	864	481,735	476,915	\$ 4,820
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	290,408	4,713	295,121	295,121	
Salaries of Secretarial and Clerical Assistants	63,201	(1,245)	61,956	61,956	
Purchased Professional/Technical Services	600	(600)			
Other Purchased Services (400-500 series)	5,616	(1,610)	4,006	3,269	737
Supplies and Materials	13,980	(1,259)	12,721	11,121	1,600
Other Objects	10,000	(864)	9,136	8,813	323
Total Support Services - School Administration	383,805	(865)	382,940	380,280	2,660
Central Services:					
Salaries	165,426	(575)	164,851	164,560	291
Purchased Technical Services	9,370	(565)	8,805	8,805	
Other Purchased Services (400-500 series)	3,116	202	3,318	3,225	93
Supplies and Materials	2,742	1,098	3,840	3,840	
Miscellaneous Expenditures	1,400	(160)	1,240	1,240	
Total Central Services	182,054		182,054	181,670	384
Required Maintenance of School Facilities:					
Salaries	60,293	17,616	77,909	77,909	
Cleaning, Repair and Maintenance Services	72,371	11,923	84,294	77,575	6,719
General Supplies	37,799	15,173	52,972	47,259	5,713
Total Required Maintenance of School Facilities	170,463	44,712	215,175	202,743	12,432

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 365,787	\$ 412	\$ 366,199	\$ 366,199	\$ 1,200
Purchased Professional/Technical Services	8,750	(765)	7,985	6,785	545
Cleaning, Repair and Maintenance Services	70,605	(29,657)	40,948	40,403	292
Other Purchased Property Services (400-500 series)	24,252	(1,403)	22,849	22,557	
Insurance	58,875	(13,425)	45,450	45,450	
Miscellaneous Purchased Services	2,800	69	2,869	2,869	
General Supplies	42,286	17,734	60,020	57,501	2,519
Energy (Natural Gas)	196,601	(54,674)	141,927	81,783	60,144
Energy (Electricity)	195,000	(23,429)	171,571	120,581	50,990
Other Objects	3,287		3,287	2,138	1,149
Total Custodial Services	968,243	(105,138)	863,105	746,266	116,839
Care and Upkeep of Grounds:					
Salaries	52,935		52,935	52,480	455
Other Purchased Services (400-500 series)	11,550	(1,525)	10,025	5,335	4,690
General Supplies	14,000	(1,041)	12,959	11,268	1,691
Total Care and Upkeep of Grounds	78,485	(2,566)	75,919	69,083	6,836
Security:					
Salaries	33,000	7,299	40,299	39,520	779
Purchased Professional/Technical Services	1,000	4,712	5,712	5,712	
Cleaning, Repair and Maintenance Services	1,800	(922)	878	878	
Total Security	35,800	11,089	46,889	46,110	779
Student Transportation Services:					
Management Fee - ESC & CTSA Transportation Program	30,000	9,250	39,250	39,250	
Contracted Services:					
Between Home and School - Vendors	551,985	(8,208)	543,777	543,777	
Other than Between Home and School - Vendors	125,815	(964)	124,851	124,330	521
Special Education Students - Vendors	17,000	(17,000)			

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services (Cont'd):					
Contracted Services (Cont'd):					
Special Education Students - Joint Agreements	\$ 432,376	\$ 100,431	\$ 532,807	\$ 532,807	
Between Home and School - Joint Agreements	264,703	(12,505)	252,198	252,198	
Aid In Lieu Payments - Choice Schools	5,000	1,164	6,164	6,164	
Special Education Students - ESCs and CTAS	3,017	(3,017)			
Total Student Transportation Services	1,429,896	69,151	1,499,047	1,498,526	\$ 521
Unallocated Benefits:					
Social Security Contributions	163,000	18,822	181,822	180,929	893
Other Retirement Contributions - PERS	115,000	(2,128)	112,872	112,872	
Other Retirement Contributions - Regular	8,000	(2,000)	6,000	4,429	1,571
Unemployment Compensation	28,000		28,000	25,968	2,032
Workmen's Compensation	96,076	(16,178)	79,898	62,305	17,593
Health Benefits	1,629,733	(306,084)	1,323,649	1,224,389	99,260
Tuition Reimbursement	65,000	4,138	69,138	69,138	
Other Employee Benefits	521,422	83,558	604,980	604,980	
Unused Sick Payment to Terminated/Retired Staff	25,000		25,000		25,000
Total Unallocated Benefits	2,651,231	(219,872)	2,431,359	2,285,010	146,349
On-Behalf Contributions:					
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,158,559	(1,158,559)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				536,521	(536,521)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				24,252	(24,252)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				1,149	(1,149)
TPAF Social Security (Reimbursed - Non-Budgeted)				463,765	(463,765)
Total On-Behalf Contributions				2,184,246	(2,184,246)
Total Personal Services - Employee Benefits	2,651,231	(219,872)	2,431,359	4,469,256	(2,037,897)

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Total Undistributed Expenses	\$ 9,816,016	\$ (234,669)	\$ 9,581,347	\$ 11,281,186	\$ (1,699,839)
TOTAL CURRENT EXPENSE	15,786,065	(56,634)	15,729,431	17,371,566	(1,642,135)
CAPITAL OUTLAY					
Equipment:					
Grades 9-12	15,800	(9,200)	6,600	2,429	4,171
School - Sponsored and Other Instructional Program	24,173	4,729	28,902	23,402	5,500
Undistributed Expenditures - Required Maintenance - School Facilities	59,900	(26,068)	33,832	33,832	
Athletics	3,076		3,076	3,076	
Care and Upkeep of Grounds		27,273	27,273	17,150	10,123
Total Equipment	102,949	(3,266)	99,683	46,057	53,626
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	14,250		14,250	500	13,750
Legal Services	5,000		5,000		5,000
Construction Services	290,000	59,900	349,900	191,410	158,490
Supplies and Materials	750		750		750
Assessment for Debt Service on SDA Funding	38,646		38,646	38,646	
Total Facilities Acquisition and Construction Services	348,646	59,900	408,546	230,556	177,990
TOTAL CAPITAL OUTLAY	451,595	56,634	508,229	276,613	231,616

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL EXPENDITURES	\$ 16,237,660		\$ 16,237,660	\$ 17,648,179	\$ (1,410,519)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(876,390)	\$ (141,910)	(1,018,300)	(35,472)	982,828
Fund Balance, July 1	1,522,877		1,522,877	1,522,877	
Fund Balance, June 30	<u>\$ 646,487</u>	<u>\$ (141,910)</u>	<u>\$ 504,577</u>	<u>\$ 1,487,405</u>	<u>\$ 982,828</u>

Recapitulation:

Restricted for:

Capital Reserve

Excess Surplus

Assigned to:

Year-end Encumbrances

For Subsequent Year's Expenditures

Unassigned

\$	764,240
	118,581
	86,631
	148,545
	369,408
	<u>1,487,405</u>
	<u>(441,827)</u>
\$	<u>1,045,578</u>

Reconciliation to Governmental Funds Statements (GAAP):

Last Two State Aid Payments not recognized on GAAP basis

Fund Balance per Governmental Funds (GAAP)

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 14,200	\$ 14,200	\$ 14,199	\$ (1)
Federal Sources	\$ 202,959	54,535	257,494	232,088	(25,406)
Total Revenues	202,959	68,735	271,694	246,287	(25,407)
EXPENDITURES:					
Instruction					
Salaries of Teachers	83,078	(16,254)	66,824	66,824	
Purchased Professional and Technical Services		308	308		308
Purchased Professional Educational Services		8,200	8,200	8,200	
Tuition	111,381	16,628	128,009	128,009	
General Supplies	8,500	(845)	7,655	7,097	558
Total Instruction	202,959	8,037	210,996	210,130	866
Support Services					
Personal Service - Employee Benefits		39,709	39,709	21,875	17,834
Professional Technical Services		2,500	2,500	2,500	
Other Purchased Services		14,125	14,125	7,500	6,625
Total Support Services		56,334	56,334	31,875	24,459
Facilities Acquisition and Construction Services:					
Instructional Equipment		4,364	4,364	4,282	82
Total Facilities Acquisition and Construction Services		4,364	4,364	4,282	82
Total Expenditures	202,959	68,735	271,694	246,287	25,407
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (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	\$ 17,612,707	\$ 246,287
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures, and Revenue while the GAAP Basis does not.		6,300
Prior Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	461,158	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(441,827)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 17,632,038	\$ 252,587
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 17,648,179	\$ 246,287
Differences - Budget to GAAP		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures, and Revenue while the GAAP Basis does not.		6,300
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 17,648,179	\$ 252,587

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, 2019 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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Elementary and Secondary Education Act		IDEA	Perkins	Various	Total
	Title I	Title IIA	Part - B Basic	Vocational Education	Local Grants	
REVENUE:						
Local Sources	\$ 74,507	\$ 14,192	\$ 128,009	\$ 5,380	\$ 14,199	\$ 14,199
Federal Sources						232,088
Total Revenue	<u>74,507</u>	<u>14,192</u>	<u>128,009</u>	<u>5,380</u>	<u>14,199</u>	<u>246,287</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	56,295	10,529				66,824
Purchased Professional Educational Services					8,200	8,200
Tuition			128,009			128,009
General Supplies				1,098	5,999	7,097
Total Instruction	<u>56,295</u>	<u>10,529</u>	<u>128,009</u>	<u>1,098</u>	<u>14,199</u>	<u>210,130</u>
Support Services:						
Personal Service - Employee Benefits	18,212	3,663				21,875
Professional Technical Services						2,500
Other Purchased Services						7,500
Total Support Services	<u>18,212</u>	<u>3,663</u>				<u>31,875</u>
Facilities Acquisition:						
Instructional Equipment					4,282	4,282
Total Facilities Acquisition					<u>4,282</u>	<u>4,282</u>
Total Expenditures	<u>\$ 74,507</u>	<u>\$ 14,192</u>	<u>\$ 128,009</u>	<u>\$ 5,380</u>	<u>\$ 14,199</u>	<u>\$ 246,287</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, 2019

Revenue and Other Financing Sources:	
Interest Income	\$ 897
	<u>897</u>
Total Revenue and Other Financing Sources	<u>897</u>
Other Financing Uses:	
Transfer to Debt Service Fund	<u>897</u>
Total Other Financing Uses	<u>897</u>
Fund Balance - Beginning of Year	<u>430,351</u>
Fund Balance - End of Year	<u><u>\$ 430,351</u></u>
Reconciliation of Fund Balance:	
Fund Balance - Budgetary Basis	<u>\$ 430,351</u>
Fund Balance - GAAP Basis	<u><u>\$ 430,351</u></u>

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, 2019

	Prior Periods	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:			
State Sources - SDA Grant	\$ 2,896,567	\$ 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	7,649,570	7,649,570	7,649,600
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	7,567,811	7,567,811	7,649,600
Excess/(Deficit) of Revenue and Other Financing Sources			
Over/(Under) Expenditures and Other Financing Uses	\$ 81,759	\$ 81,759	\$ -0-

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

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
SOLAR PHOTOVOLTAIC PROJECT- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	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	\$ 348,592	\$ -0-

Additional Project Information:

Project Number:		N/A
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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 9,072
Accounts Receivable:	
State	76
Federal	1,877
Other Accounts Receivable	603
Interfund Receivable	12,613
Inventories	6,684
	<hr/>

Total Current Assets

30,925

Non-Current Assets:

Capital Assets	96,205
Less: Accumulated Depreciation	(73,638)
	<hr/>

Total Non-Current Assets

22,567

Total Assets

53,492

LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	9,172
Unearned Revenue	1,490
	<hr/>

Total Current Liabilities

10,662

NET POSITION:

Investment in Capital Assets	22,567
Unrestricted	20,263
	<hr/>
Total Net Position	\$ 42,830
	<hr/> <hr/>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 87,348
Daily Sales - Non Reimbursable Programs	65,168
	<hr/>
Total Operating Revenue	152,516
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	70,112
Cost of Sales - Non Reimbursable Programs	48,742
Salaries & Payroll Taxes	69,848
Employee Benefits	17,014
Management Fee	9,033
Professional and Technical Services	3,570
Depreciation Expense	3,867
Other Miscellaneous Expenses	6,324
	<hr/>
Total Operating Expenses	228,510
	<hr/>
Operating (Loss)	(75,994)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	2,074
Federal Sources:	
National School Lunch Program	48,507
Food Distribution Program	15,431
Local Sources:	
Interest Income	52
	<hr/>
Total Non-Operating Revenue	66,064
	<hr/>
Change in Net Position Before Other Item	(9,930)
	<hr/>
Other Item - Capital Asset Adjustment	(12,177)
	<hr/>
Change in Net Position After Other Item	(22,107)
	<hr/>
Net Position - Beginning of Year	64,937
	<hr/>
Net Position - End of Year	\$ 42,830
	<hr/> <hr/>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 152,516
Payments to Employees	(69,848)
Payments for Benefits	(17,014)
Payments to Food Service Vendor	(9,033)
Payments to Suppliers	<u>(113,439)</u>
Net Cash Used for Operating Activities	<u>(56,818)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>51,414</u>
Net Cash Provided by Noncapital Financing Activities	<u>51,414</u>
Cash Flows from Investing Activities:	
Investment Income	<u>52</u>
Net Cash Flows Provided by Investing Activities:	<u>52</u>
Net Decrease in Cash and Cash Equivalents	(5,352)
Cash and Cash Equivalents, July 1	<u>14,424</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 9,072</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (75,994)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Federal Food Distribution Program	15,431
Depreciation	3,867
Changes in Assets and Liabilities:	
(Increase) in Inventory	(491)
(Increase) in Accounts Receivable	(302)
Increase in Accounts Payable	129
Increase in Unearned Revenue	<u>542</u>
Net Cash Used for Operating Activities	<u><u>\$ (56,818)</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 \$15,973 and utilized commodities valued at \$15,431.

FIDUCIARY FUNDS

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Agency Funds</u>		<u>Private Purpose Scholarship Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
	<u>Payroll Agency</u>	<u>Student Activity</u>			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 56,196	\$ 159,313	\$ 74,547	\$ 7,852	\$ 297,908
Interfund Receivable - General Fund	7,019				7,019
Total Assets	63,215	159,313	74,547	7,852	304,927
<u>LIABILITIES:</u>					
Net Salaries and Wages	8,014				8,014
Payroll Deductions and Withholdings	55,201				55,201
Due to Student Groups		159,313			159,313
Total Liabilities	63,215	159,313			222,528
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				7,852	7,852
Restricted For Scholarships			74,547		74,547
Total Net Position	\$ -0-	\$ -0-	\$ 74,547	\$ 7,852	\$ 82,399

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ADDITIONS:			
Contributions:			
Donations		\$ 6,516	\$ 6,516
Total Contributions		6,516	6,516
Investment Earnings:			
Interest	\$ 16	173	189
Net Investment Earnings	16	173	189
Total Additions	16	6,689	6,705
DEDUCTIONS:			
Scholarships Awarded		5,400	5,400
Total Deductions		5,400	5,400
Change in Net Position	16	1,289	1,305
Net Position - Beginning of the Year	7,836	73,258	81,094
Net Position - End of the Year	\$ 7,852	\$ 74,547	\$ 82,399

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 158,641	\$ 378,576	\$ 377,904	\$ 159,313
Total Assets	<u>\$ 158,641</u>	<u>\$ 378,576</u>	<u>\$ 377,904</u>	<u>\$ 159,313</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 158,641	\$ 378,576	\$ 377,904	\$ 159,313
Total Liabilities	<u>\$ 158,641</u>	<u>\$ 378,576</u>	<u>\$ 377,904</u>	<u>\$ 159,313</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Cash</u> <u>Additions</u>	<u>Cash</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
High School:				
Athletic Account	\$ 6,872	\$ 54,267	\$ 57,919	\$ 3,220
Activity Account	<u>151,769</u>	<u>324,309</u>	<u>319,985</u>	<u>156,093</u>
Total	<u>\$ 158,641</u>	<u>\$ 378,576</u>	<u>\$ 377,904</u>	<u>\$ 159,313</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 114,632	\$ 9,647,601	\$ 9,706,037	\$ 56,196
Interfund Receivable - General Fund		7,019		7,019
Total Assets	\$ 114,632	\$ 9,654,620	\$ 9,706,037	\$ 63,215
 <u>LIABILITIES:</u>				
Net Salaries and Wages	\$ 1,996	\$ 5,452,537	\$ 5,446,519	\$ 8,014
Payroll Deductions and Withholdings	80,218	4,202,083	4,227,100	55,201
Interfund Payable - General Fund	32,418		32,418	
Total Liabilities	\$ 114,632	\$ 9,654,620	\$ 9,706,037	\$ 63,215

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance June 30, 2018	Matured	Balance June 30, 2019
			Date	Amount				
Refunding Issue - 2008	1/22/2008	\$ 3,075,000	7/15/2019	\$ 235,000	4.25%	\$ 955,000	\$ 235,000	\$ 720,000
			7/15/2020	230,000	4.25%			
			7/15/2021	255,000	4.25%			
Solar Panel Purchase and Installation	11/29/2011	3,300,000	9/1/2019	105,000	2.50%	1,845,000	105,000	1,740,000
			9/1/2020	110,000	3.00%			
			9/1/2021	115,000	3.00%			
			9/1/2022	120,000	3.00%			
			9/1/2023	125,000	3.50%			
			9/1/2024	130,000	3.50%			
			9/1/2025	135,000	3.50%			
			9/1/2026	140,000	3.50%			
			9/1/2027	145,000	3.50%			
			9/1/2028	150,000	3.50%			
		9/1/2029	155,000	3.50%				
		9/1/2030	160,000	3.75%				
		9/1/2031	150,000	3.75%				
						<u>\$ 2,800,000</u>	<u>\$ 340,000</u>	<u>\$ 2,460,000</u>

WALLKILL VALLEY REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 434,818		\$ 434,818	\$ 434,818	
Total Revenue	434,818		434,818	434,818	
EXPENDITURES:					
Regular Debt Service:					
Interest	95,250		95,250	95,250	
Redemption of Principal	340,000		340,000	340,000	
Total Regular Debt Service	435,250		435,250	435,250	
Total Expenditures	435,250		435,250	435,250	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(432)		(432)	(432)	
Other Financing Sources:					
Transfer In - Capital Projects Fund Interest				897	\$ 897
Total Other Financing Sources				897	897
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(432)		(432)	465	897
Fund Balance, July 1	865		865	865	
Fund Balance June 30	\$ 433	\$ -0-	\$ 433	\$ 1,330	\$ 897
			Restricted Fund Balance	\$ 1,330	

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

	<u>Exhibit</u>
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.

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

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 6,385,952	\$ 6,314,749	\$ 5,869,863	\$ 7,020,032	\$ 7,211,116	\$ 7,439,268	\$ 7,631,853	\$ 7,915,864	\$ 8,036,786	\$ 8,187,619
Restricted	2,967,475	2,449,779	2,026,228	777,420	1,264,673	1,500,472	1,446,470	1,202,325	702,231	1,314,502
Unrestricted/(Deficit)	(902,565)	(785,420)	(704,031)	(283,069)	(2,459,233)	(2,605,674)	(2,746,418)	(2,773,437)	(2,349,656)	(2,895,863)
Total Governmental Activities Net Position	\$ 8,450,862	\$ 7,979,108	\$ 7,192,060	\$ 7,514,383	\$ 6,016,556	\$ 6,334,066	\$ 6,331,905	\$ 6,344,752	\$ 6,389,361	\$ 6,606,258
Business-Type Activities										
Investment in Capital Assets	\$ 18,079	\$ 16,399	\$ 14,875	\$ 13,351	\$ 45,315	\$ 43,639	\$ 41,963	\$ 40,287	\$ 38,611	\$ 22,567
Unrestricted	114,058	110,633	54,002	30,215	25,877	24,454	33,503	34,099	26,326	20,263
Total Business-Type Activities Net Position	\$ 132,137	\$ 127,032	\$ 68,877	\$ 43,566	\$ 71,192	\$ 68,093	\$ 75,466	\$ 74,386	\$ 64,937	\$ 42,830
District-Wide										
Net Investment in Capital Assets	\$ 6,404,031	\$ 6,331,148	\$ 5,884,738	\$ 7,033,383	\$ 7,256,431	\$ 7,482,907	\$ 7,673,816	\$ 7,956,151	\$ 8,075,397	\$ 8,210,186
Restricted	2,967,475	2,449,779	2,026,228	777,420	1,264,673	1,500,472	1,446,470	1,202,325	702,231	1,314,502
Unrestricted/(Deficit)	(788,507)	(674,787)	(650,029)	(252,854)	(2,433,356)	(2,581,220)	(2,712,915)	(2,739,338)	(2,323,330)	(2,875,600)
Total District Net Position	\$ 8,582,999	\$ 8,106,140	\$ 7,260,937	\$ 7,557,949	\$ 6,087,748	\$ 6,402,159	\$ 6,407,371	\$ 6,419,138	\$ 6,454,298	\$ 6,649,088

Source: School District Financial Reports

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	\$ 7,130,288	\$ 6,923,097	\$ 6,839,274	\$ 6,195,588	\$ 5,749,967	\$ 7,754,333	\$ 8,219,922	\$ 8,534,539	\$ 8,425,210	\$ 8,161,018
Special Education	805,127	873,085	992,539	1,091,328	1,035,781	1,374,502	1,483,962	1,513,077	1,591,148	1,443,615
Other Special Education	70,524	58,903	63,436	70,092	73,273	27,148	28,435	48,573	49,710	65,623
Other Instruction	782,306	691,589	667,686	655,462	659,399	1,003,856	1,033,912	858,937	899,367	871,773
Support Services:										
Tuition	806,107	977,364	1,465,955	1,213,662	1,493,832	1,361,590	1,621,047	1,456,988	1,642,212	1,639,622
Student & Instruction Related Services	1,482,145	1,463,761	1,538,200	1,680,828	1,732,206	1,705,533	1,674,319	2,661,646	2,594,972	2,719,140
General Administrative Services	449,174	469,436	503,179	526,928	571,157	497,207	574,694	702,782	709,709	657,502
School Administrative Services	534,469	570,563	603,080	625,314	799,745	571,197	618,594	826,855	764,936	654,608
Central Services	190,028	199,545	203,126	218,443	220,124	233,290	228,352	253,725	271,545	239,316
Plant Operations And Maintenance	1,451,067	1,429,113	1,354,625	1,407,388	1,597,808	1,383,380	1,413,858	1,445,466	1,546,948	1,383,232
Pupil Transportation	1,219,697	1,186,503	1,290,220	1,191,416	1,307,918	1,317,839	1,337,244	1,357,347	1,399,984	1,498,526
Interest On Long-Term Debt	120,907	106,555	144,926	253,334	159,970	178,375	125,406	109,555	95,946	83,146
Unallocated	7,563	6,368	5,923	35,706	37,836	37,836	37,836	37,836	37,836	46,011
Capital Outlay	11,659	31,403	18,262	25,063	25,063	38,645	40,508	38,646	551,391	38,646
Transfer of Funds to Charter School							28,554			
Total Governmental Activities Expenses	15,061,061	14,987,285	15,690,431	15,190,552	15,464,079	17,484,731	18,466,643	19,845,972	20,580,914	19,501,778
Business-type activities:										
Food Service	276,350	281,057	310,939	245,028	180,029	206,542	222,322	210,751	223,857	228,510
Total Business-Type Activities Expense	276,350	281,057	310,939	245,028	180,029	206,542	222,322	210,751	223,857	228,510
Total District Expenses	\$ 15,337,411	\$ 15,268,342	\$ 16,001,370	\$ 15,435,580	\$ 15,644,108	\$ 17,691,273	\$ 18,688,965	\$ 20,056,723	\$ 20,804,771	\$ 19,730,288
Program Revenues										
Governmental Activities:										
Charges For Services	\$ 5,265,169	\$ 5,812,475	\$ 6,050,943	\$ 6,081,545	\$ 6,179,091	\$ 7,893,682	\$ 8,579,228	\$ 9,580,111	\$ 9,716,952	\$ 8,546,259
Operating Grants and Contributions					\$ 448					
Total Governmental Activities Program Revenues	5,265,169	5,812,475	6,050,943	6,081,545	6,179,091	7,893,682	8,579,228	9,580,111	9,716,952	8,546,259

WALKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges for services:										
Food Service	\$ 223,240	\$ 215,936	\$ 187,788	\$ 153,605	\$ 138,799	\$ 138,574	\$ 166,820	\$ 152,064	\$ 151,632	\$ 152,516
Operating Grants and Contributions	51,847	59,066	64,357	65,960	68,829	64,848	62,852	57,577	62,746	66,012
Total Business-Type Activities Program Revenues	275,087	275,002	252,145	219,565	207,628	203,422	229,672	209,641	214,378	218,528
Total District Program Revenues	\$ 5,540,256	\$ 6,087,477	\$ 6,303,088	\$ 6,301,110	\$ 6,386,719	\$ 8,097,104	\$ 8,808,900	\$ 9,789,752	\$ 9,931,330	\$ 8,764,787
Net (Expense)/Revenue	\$ (9,795,892)	\$ (9,174,810)	\$ (9,639,488)	\$ (9,109,007)	\$ (9,284,988)	\$ (9,591,049)	\$ (9,887,415)	\$ (10,265,861)	\$ (10,863,962)	\$ (10,955,519)
Governmental Activities	(1,263)	(6,055)	(58,794)	(23,463)	27,599	(3,120)	7,350	(1,110)	(9,479)	(9,982)
Business-Type Activities	\$ (9,797,155)	\$ (9,180,865)	\$ (9,698,282)	\$ (9,134,470)	\$ (9,257,389)	\$ (9,594,169)	\$ (9,880,065)	\$ (10,266,971)	\$ (10,873,441)	\$ (10,965,501)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,249,911	\$ 8,579,907	\$ 8,765,642	\$ 8,966,082	\$ 9,145,404	\$ 9,328,312	\$ 9,514,878	\$ 9,705,176	\$ 10,284,867	\$ 10,490,565
Taxes Levied for Debt Service	546,750			399,094	477,288	465,218	330,328	376,028	442,443	434,818
Federal and State Aid not Restricted	9	4	3,582	1,314	1,590	2,321	2,458	433	1,998	3,238
Investment Earnings	131,456	123,145	83,216	64,840	215,472	112,708	37,590	91,174	178,836	242,898
Miscellaneous Income								480	407	897
Interest Earned in Capital Reserve										
Adjustment to Fixed Asset Report	(38,800)									
Total Governmental Activities	8,889,326	8,703,056	8,852,440	9,431,330	9,839,754	9,908,559	9,885,254	10,173,291	10,908,571	11,172,416
Business-Type Activities:										
Miscellaneous Income	1,739	950	638	152	27	21	23	30	30	52
Interest on Investments										(12,177)
Other Item - Capital Asset Adjustment										(12,125)
Total Business-Type Activities	1,739	950	638	152	27	21	23	30	30	30
Total District-Wide	\$ 8,891,065	\$ 8,704,006	\$ 8,853,078	\$ 9,431,482	\$ 9,839,781	\$ 9,908,580	\$ 9,885,277	\$ 10,173,321	\$ 10,908,601	\$ 11,160,291
Change in Net Position	\$ (906,566)	\$ (471,754)	\$ (787,048)	\$ 322,323	\$ 554,766	\$ 317,510	\$ (2,161)	\$ (92,570)	\$ 44,609	\$ 216,897
Governmental Activities	476	(5,105)	(58,156)	(25,311)	27,626	(3,099)	7,373	(1,080)	(9,449)	(22,107)
Business-Type Activities	\$ (906,090)	\$ (476,859)	\$ (845,204)	\$ 297,012	\$ 582,392	\$ 314,411	\$ 5,212	\$ (93,650)	\$ 35,160	\$ 194,790
Total District										

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 1,141,451									
Unreserved/(Deficit)	(107,126)									
Restricted	\$ 751,708	\$ 393,268	\$ 346,069	\$ 346,069	\$ 714,256	\$ 880,633	\$ 945,264	\$ 833,026	\$ 271,015	\$ 882,821
Assigned	277,342	150,167	536,468	536,468	422,550	251,347	173,831	118,931	790,704	162,757
Total General Fund	\$ 1,034,325	\$ 1,029,050	\$ 543,435	\$ 882,537	\$ 1,136,806	\$ 1,131,980	\$ 1,119,095	\$ 951,957	\$ 1,061,719	\$ 1,045,578
All Other Governmental Funds										
Unreserved, Reported In:	\$ 1,791,585									
Capital Projects Fund	34,439									
Debt Service Fund										
Restricted	\$ 1,438,160	\$ 1,632,960	\$ 431,351	\$ 431,351	\$ 550,417	\$ 619,839	\$ 501,206	\$ 431,217	\$ 431,216	\$ 431,681
Total All Other Governmental Funds	\$ 1,826,024	\$ 1,438,160	\$ 1,632,960	\$ 431,351	\$ 550,417	\$ 619,839	\$ 501,206	\$ 431,217	\$ 431,216	\$ 431,681

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 8,249,911	\$ 8,579,907	\$ 8,765,642	\$ 9,365,176	\$ 9,622,692	\$ 9,793,530	\$ 9,845,206	\$ 10,081,204	\$ 10,727,310	\$ 10,925,383
Tuition Charges	4,000	4,400	3,600	4,600	448					
Interest Earnings	55,138	6,728	3,582	1,314	1,590	1,890	2,458	2,054	2,405	4,135
Unrestricted Miscellaneous Revenue	72,327	112,021	79,616	64,840	96,839	43,178	37,590	90,033	178,856	249,198
State Sources	4,834,181	5,471,948	5,769,699	5,839,127	5,954,105	6,098,967	6,294,009	6,413,744	6,804,646	6,907,919
Federal Sources	977,738	340,527	281,244	237,818	224,986	244,795	230,294	260,818	238,381	233,705
Total Revenue	14,193,295	14,515,531	14,903,383	15,512,875	15,900,660	16,182,360	16,409,557	16,847,853	17,951,598	18,320,340
Expenditures										
Instruction										
Regular Instruction	5,062,644	4,819,912	4,760,662	4,484,840	4,169,790	4,522,454	4,417,293	4,535,611	4,395,000	4,653,094
Special Education Instruction	608,365	633,705	711,225	744,760	747,450	771,866	786,473	823,016	811,930	818,867
Other Special Instruction	63,070	52,613	55,677	59,102	20,459	27,148	28,435	26,981	25,249	36,672
School Sponsored/Other Instruction	658,555	549,371	580,360	544,456	601,062	682,121	630,369	661,550	638,247	706,525
Support Services:										
Tuition	806,107	977,364	1,465,955	1,213,662	1,493,832	1,361,590	1,621,047	1,456,988	1,642,212	1,639,622
Student & Instruction Related Services	1,110,653	1,088,684	1,095,685	1,155,244	1,245,066	1,361,348	1,328,121	1,487,848	1,492,933	1,698,724
General Administrative Services	362,816	363,824	380,915	395,350	392,242	411,856	447,506	437,578	424,669	476,915
School Administrative Services	395,146	409,795	420,950	412,972	569,006	438,168	464,933	423,815	404,260	380,280
Central Services	147,847	153,293	150,396	157,130	170,271	186,029	177,300	180,715	180,486	181,670
Plant Operations And Maintenance	1,154,694	1,094,582	1,018,990	938,809	1,144,537	1,129,854	1,133,140	1,100,570	1,122,188	1,064,202
Pupil Transportation	1,219,697	1,186,503	1,290,220	1,191,416	1,307,918	1,317,839	1,337,244	1,357,347	1,399,984	1,498,326
Unallocated Benefits	2,942,777	3,166,246	3,249,684	3,370,158	3,059,413	3,212,989	3,421,696	3,741,233	4,164,243	4,469,256
Capital Outlay	71,004	57,040	2,971,641	271,920	247,624	298,275	269,570	405,278	677,561	276,613
Transfer of Funds to Charter Schools							28,554			

WALKILL 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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Service:										
Principal	\$ 240,000	\$ 240,000	\$ 235,000	\$ 1,235,000	\$ 320,000	\$ 320,000	\$ 315,000	\$ 325,000	\$ 335,000	\$ 340,000
Interest And Other Charges	124,138	115,738	106,838	200,563	157,288	146,188	134,394	121,450	107,875	95,250
Total Expenditures	14,967,513	14,908,670	18,494,198	16,375,382	15,643,958	16,187,725	16,541,075	17,084,980	17,841,837	18,336,016
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(774,218)	(393,139)	(3,590,815)	(862,507)	254,702	(5,365)	(131,518)	(237,127)	109,761	(15,676)
Other Financing Sources (Uses)										
Serial Bonds Issued			3,300,000							
Transfers In	284,798	357,769	321,265	1,021,542	433	431	433	433	431	897
Transfers Out	(284,798)	(357,769)	(321,265)	(1,021,542)	(433)	(431)	(433)	(433)	(431)	(897)
Cancellation of State Receivable						(30)				
Sale of Solar Renewable Energy Certificates					118,633	69,991				
Total Other Financing Sources (Uses)			3,300,000			69,961				
Net Change In Fund Balances	\$ (774,218)	\$ (393,139)	\$ (290,815)	\$ (862,507)	\$ 254,702	\$ 64,596	\$ (131,518)	\$ (237,127)	\$ 109,761	\$ (15,676)
Debt Service As A Percentage Of Noncapital Expenditures	2.4%	2.4%	2.8%	8.9%	3.1%	2.9%	2.8%	2.7%	2.6%	2.4%

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	Tuition	Solar Renewable Energy Credit	Miscellaneous	Total
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
2016	2,025			37,590	39,615
2017	1,141			83,135	84,276
2018	1,974		\$ 97,759	76,797	176,530
2019	3,238		131,389	97,310	231,937

Source: Wallkill Valley Regional High School District records

OTHER LOCAL REVENUE BY SOURCE
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>													
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
2015	13,861,600	247,749,100	4,259,500	226,100	107,220,100	9,924,600	6,577,700	383,898,700	58,016,800	1,859,830	385,758,530	0.56	418,389,622
2016	12,331,200	248,846,800	3,950,200	210,400	116,839,400	9,924,600	6,690,800	398,793,400	57,714,700	1,838,649	400,632,049	0.54	421,019,872
2017	12,135,200	248,664,900	4,000,100	210,500	115,978,000	9,924,600	6,690,800	397,604,100	57,793,900	1,760,484	399,364,584	0.59	417,593,307
2018	12,646,400	248,416,400	4,000,100	189,700	114,131,800	9,428,000	6,981,100	395,793,500	57,383,300	1,774,920	397,568,420	0.61	411,468,592
<u>Hamburg Borough</u>													
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	356,232,093
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
2015	6,019,000	204,491,400			28,067,500	4,988,600	690,600	244,257,100	19,807,800	55,492	244,312,592	0.62	270,300,879
2016	6,032,600	203,919,500			28,121,100	4,988,600	690,600	243,752,400	20,342,000	481,142	244,233,542	0.65	270,607,041
2017	6,151,400	204,493,000			27,672,500	4,988,600	690,600	243,996,100	20,158,200	462,711	244,458,811	0.68	272,188,832
2018	5,777,700	205,901,700			27,171,300	4,988,600	690,600	244,529,900	20,158,200	457,458	244,987,358	0.65	268,222,994

WALKILL 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>													
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
2015	33,919,500	856,886,600	13,852,900	1,333,800	109,514,500	41,088,000	17,000,000	1,073,595,300	124,124,900	2,306,168	1,075,901,468	0.94	1,156,145,795
2016	31,300,700	861,892,600	14,134,500	1,320,400	105,202,000	41,088,000	17,000,000	1,071,938,200	124,194,400	2,083,146	1,074,021,346	0.47	1,119,212,905
2017	31,222,300	863,665,200	13,607,400	1,337,700	101,381,500	41,088,000	17,000,000	1,069,302,100	124,193,400	1,987,169	1,071,289,269	0.54	1,136,196,356
2018	31,669,400	864,077,100	13,554,400	1,092,700	101,366,600	39,863,400	17,000,000	1,068,623,600	125,520,600	1,983,073	1,070,606,673	0.52	1,113,588,531
<u>Ogdensburg Borough</u>													
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	240,981,615	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	0.55	200,920,937
2015	2,485,200	178,218,900	279,200	13,500	11,944,200	1,912,300	1,905,900	196,759,200	20,907,700	451,311	197,210,511	0.60	195,475,339
2016	2,049,300	178,136,500	279,200	13,500	11,944,200	1,912,300	1,905,900	196,240,900	21,433,100	400,323	196,641,223	0.66	190,649,453
2017	2,049,300	178,049,000	279,200	13,500	12,022,600	1,912,300	1,905,900	196,231,800	21,439,500	391,667	196,623,467	0.71	187,038,817
2018	2,049,300	177,706,600	279,200	13,500	12,022,600	1,912,300	1,905,900	195,889,400	21,656,800	387,553	196,276,953	0.64	191,473,801

* 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

WALKILL 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	
	2009	\$ 0.663	\$ 0.074	\$ 0.737	\$ 1.471	\$ 1.680	
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
2015	0.531	0.028	0.559	1.211	1.251	0.551	3.572
2016	0.519	0.020	0.539	1.172	1.275	0.575	3.561
2017	0.564	0.023	0.588	1.171	1.283	0.597	3.639
2018	0.583	0.023	0.606	1.173	1.351	0.600	3.730

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	
	2009	\$ 0.630	\$ 0.070	\$ 0.700	\$ 0.810	\$ 1.700	
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
2015	0.585	0.031	0.616	0.847	1.668	0.570	3.701
2016	0.629	0.024	0.654	0.883	1.711	0.612	3.860
2017	0.651	0.027	0.678	0.925	1.738	0.636	3.977
2018	0.622	0.025	0.647	0.952	1.826	0.635	4.060

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	
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
2015	0.847	0.094	0.941	0.671	0.445	0.554	2.611
2016	0.451	0.017	0.468	0.679	0.945	0.575	2.666
2017	0.517	0.021	0.537	0.679	0.927	0.605	2.747
2018	0.501	0.022	0.522	0.679	0.989	0.604	2.794

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	
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	* 0.492	0.055	0.547	1.088	1.192	0.528	3.355
2015	0.544	0.060	0.604	1.089	1.197	0.511	3.401
2016	0.632	0.024	0.656	1.103	1.179	0.536	3.474
2017	0.682	0.028	0.710	1.103	1.179	0.543	3.535
2018	0.612	0.025	0.637	1.126	1.263	0.566	3.592

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 TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Franklin Borough

Taxpayer	2018		% of Total District Net Assessed Value
	Taxable Assessed Value		
Wal-Mart	\$ 11,386,700		2.86%
Franklin 23	9,000,000		2.26%
Weis Markets, Inc.	6,965,000		1.75%
Wurtsboro Associates	5,782,900		1.46%
Walgreens	5,496,100		1.38%
Hillside Estates at Franklin, LLC	4,332,200		1.09%
Transblanc International	3,000,000		0.76%
Concetta Towers LLC	2,882,800		0.73%
Tams Franklin LLC	2,690,000		0.68%
Durling Realty LLC	2,671,900		0.67%
Total	\$ 54,207,600		13.64%

Hamburg Borough

Taxpayer	2018		% of Total District Net Assessed Value
	Taxable Assessed Value		
Ames Rubber Corp	\$ 3,054,600		1.48%
Governor Haines Realty, LLC	2,019,600		0.98%
Envision New Jersey, LLC	1,934,000		0.93%
Springdale Village, LLC	1,881,700		0.91%
Plaza 23, LLC	1,317,900		0.68%
TRB Investments, LLC	1,174,000		0.64%
Individual Taxpayer #1	1,100,000		0.57%
TCAT Properties Hamburg, LLC	1,000,200		0.48%
Wachovia Bank	978,400		0.47%
KP Kit & Jay, LLC	913,800		0.44%
Total	\$ 15,374,200		7.58%

Franklin Borough

Taxpayer	2009		% of Total District Net Assessed Value
	Taxable Assessed Value		
Wal-Mart	\$ 14,210,200		5.81%
Transbank International Investors	10,883,700		4.45%
Franklin 23	10,621,200		4.34%
Weis Market, Inc.	9,128,000		3.73%
MD3, LLC	5,056,600		2.07%
Sterling Plaza, Inc.	4,875,700		1.99%
Hillside Estates of Franklin	4,839,000		1.98%
Wurtsboro Associates	4,784,500		1.96%
Braen Aggregates, LLC	4,653,100		1.90%
Kaj Franklin, LLC	3,750,200		1.53%
Total	\$ 72,802,200		29.76%

Hamburg Borough

Taxpayer	2009		% of Total District Net Assessed Value
	Taxable Assessed Value		
Ames Rubber Corporation	\$ 3,350,000		2.47%
Plastoid Corporation	2,318,600		1.71%
Accurate Forming	2,182,800		1.61%
Southgate Associates	1,620,000		1.20%
Wynfield Corporation	1,528,400		1.13%
WHC Seven Investors, Inc.	1,306,000		0.96%
First Fidelity Bank	1,064,200		0.79%
Individual Taxpayer #1	947,700		0.70%
Governor Haines Square Corporation	852,800		0.63%
Pipquarry Company, Inc.	844,000		0.62%
Total	\$ 16,014,500		11.82%

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

Hardyston Township

Ogdensburg Borough

		2018		2018		
Taxpayer		Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Edgewater Assoc, LLC		\$ 8,500,000	0.79%	Grater, LLC	\$ 2,136,200	1.08%
Grand Cascades Lodge at Crystal Springs		8,475,300	0.79%	Ogdensburg Associates	1,598,500	0.81%
WT SPE, LLC		7,028,900	0.66%	Pokorny Properties LLC	1,514,300	0.77%
Ballyowen SPE, LLC		6,855,300	0.64%	Sterling Hill Mining Museum, Inc	1,127,000	0.57%
Edgewater Assoc, LLC		6,800,000	0.64%	83 Main St. LLC	556,900	0.28%
North Church Gravel, Inc		5,000,000	0.47%	Individual Taxpayer #1	528,400	0.27%
Black Bear SPE, LLC		3,811,500	0.36%	Individual Taxpayer #2	501,400	0.25%
Beaver Lake Realty		3,626,200	0.34%	Sterling Hill Mining Museum, Inc	501,000	0.25%
Eastern Concrete Materials, LLC		3,599,400	0.34%	Individual Taxpayer #3	486,100	0.23%
Sussex Land, LLC		3,500,000	0.33%	Individual Taxpayer #4	456,700	0.23%
Total		\$ 57,196,600	5.34%	Total	\$ 9,406,500	4.74%

		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	
Total	\$ -	0.00%	

		2009	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	
Total	\$ -	0.00%	

Not available

Not Available

Note: Individual tax payers may be different in 2018 and 2009.

Source: Municipal Tax Assessor

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	
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-
2016	9,845,206	9,845,206	100.00%	-0-
2017	10,081,204	10,081,204	100.00%	-0-
2018	10,727,310	9,842,019	91.75%	885,291
2019	10,925,383	10,458,703	95.73%	466,680

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			Bond Anticipation Notes (BANs)		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases	Capital Leases	Capital Leases				
2010	\$ 2,825,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	2,825,000	0.30%	\$ 145.52
2011	2,585,000	-0-	-0-	-0-	-0-	-0-	-0-	2,585,000	0.28%	136.33
2012	5,650,000	-0-	-0-	-0-	-0-	-0-	-0-	5,650,000	0.59%	299.69
2013	4,415,000	-0-	-0-	-0-	-0-	-0-	-0-	4,415,000	0.46%	235.48
2014	4,095,000	-0-	-0-	-0-	-0-	-0-	-0-	4,095,000	0.42%	221.69
2015	3,775,000	-0-	-0-	-0-	-0-	-0-	-0-	3,775,000	0.37%	206.08
2016	3,460,000	-0-	-0-	-0-	-0-	-0-	-0-	3,460,000	0.34%	190.97
2017	3,135,000	-0-	-0-	-0-	-0-	-0-	-0-	3,135,000	0.29%	173.63
2018	2,800,000	-0-	-0-	-0-	-0-	-0-	-0-	2,800,000	0.26%	156.15
2019	2,460,000	-0-	-0-	-0-	-0-	-0-	-0-	2,460,000	0.77%	787.45

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		
2010	\$ 2,825,000	\$ -0-	\$ 2,825,000	0.795%	\$ 145.52
2011	2,585,000	-0-	2,585,000	0.492%	136.33
2012	5,650,000	-0-	5,650,000	1.089%	299.69
2013	4,415,000	-0-	4,415,000	0.855%	235.48
2014	4,095,000	-0-	4,095,000	0.794%	221.69
2015	3,775,000	-0-	3,775,000	0.790%	206.08
2016	3,460,000	-0-	3,460,000	0.727%	190.97
2017	3,135,000	-0-	3,135,000	0.655%	173.63
2018	2,800,000	-0-	2,800,000	0.586%	156.15
2019	2,460,000	-0-	2,460,000	0.515%	157.03

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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
UNAUDITED
AS OF DECEMBER 31, 2018

<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	\$ 2,433,199	100.00%	\$ 2,433,199
Hamburg Borough	478,550	100.00%	478,550
Hardyston Township	11,817,500	100.00%	11,817,500
Ogdensburg Borough	675,204	100.00%	675,204
County of Sussex - Municipality's Share:			
Franklin Borough	102,675,174	2.46%	2,526,191
Hamburg Borough	102,675,174	1.60%	1,646,581
Hardyston Township	102,675,174	6.69%	6,873,313
Ogdensburg Borough	102,675,174	1.10%	1,131,474
Subtotal, Overlapping Debt			27,582,011
Wallkill Valley Regional High School District Direct Debt			2,460,000
Total Direct And Overlapping Debt			<u>\$ 30,042,011</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 2019

	Franklin Borough	Hamburg Borough	Hardyston Township	Ogdensburg Borough	Equalized Valuation Basis
2018	\$ 402,270,048	\$ 268,154,293	\$ 1,107,611,526	\$ 196,557,696	\$ 1,974,593,563
2017	409,605,542	266,109,827	1,110,617,054	189,595,942	1,975,928,365
2016	415,063,905	270,355,368	1,135,287,227	184,766,877	2,005,473,377
	<u>\$ 1,226,939,495</u>	<u>\$ 804,619,488</u>	<u>\$ 3,353,515,807</u>	<u>\$ 570,920,515</u>	<u>\$ 5,955,995,305</u>
	Average Equalized Valuation of Taxable Property				\$ 1,985,331,768
	Debt Limit (3% of average equalization value)				59,559,953 ^a
	Net Bonded School Debt				2,460,000
	Legal Debt Margin				<u>\$ 57,099,953</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 73,311,656	\$ 72,741,913	\$ 69,832,485	\$ 66,929,986	\$ 64,357,315
Total Net Debt Applicable to Limit	2,825,000	2,585,000	5,650,000	4,415,000	4,095,000
Legal Debt Margin	<u>\$ 62,529,693</u>	<u>\$ 68,461,363</u>	<u>\$ 70,486,656</u>	<u>\$ 62,514,986</u>	<u>\$ 60,262,315</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.85%	3.55%	8.09%	6.60%	6.36%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 62,231,987	\$ 61,414,823	\$ 60,186,073	\$ 59,646,083	\$ 59,559,953
Total Net Debt Applicable to Limit	3,775,000	3,460,000	3,135,000	2,800,000	2,460,000
Legal Debt Margin	<u>\$ 58,456,987</u>	<u>\$ 57,954,823</u>	<u>\$ 57,051,073</u>	<u>\$ 56,846,083</u>	<u>\$ 57,099,953</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	6.07%	5.63%	5.21%	4.69%	4.13%

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

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

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>				
2010	5,065	\$ 247,830,450	\$ 48,930	11.00%
2011	5,038	255,174,700	50,650	10.70%
2012	4,986	259,795,530	52,105	10.60%
2013	4,935	261,347,730	52,958	8.40%
2014	4,913	259,656,963	52,851	8.20%
2015	4,855	269,437,935	55,497	6.30%
2016	4,801	269,734,583	56,183	6.20%
2017	4,775	282,646,575	59,193	5.80%
2018	4,738	280,456,434	59,193	*
2019	4,738 **	280,456,434 **	59,193	* N/A
<u>Hamburg Borough</u>				
2010	3,277	\$ 160,343,610	\$ 48,930	9.90%
2011	3,259	165,068,350	50,650	9.60%
2012	3,229	168,247,045	52,105	9.60%
2013	3,120	165,228,960	52,958	5.60%
2014	3,180	168,066,180	52,851	6.70%
2015	3,149	174,760,053	55,497	5.60%
2016	3,144	176,639,352	56,183	5.30%
2017	3,132	185,392,476	59,193	4.70%
2018	3,124	184,918,932	59,193	*
2019	3,124 **	184,918,932 **	59,193	* N/A

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

<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>Hardyston Township</u>				
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	424,023,573	52,851	5.90%
2015	8,023	445,252,431	55,497	5.10%
2016	7,907	444,238,981	56,183	4.50%
2017	7,867	465,671,331	59,193	4.10%
2018	7,804	461,942,172	59,193	*
2019	7,804 **	461,942,172 **	59,193 *	N/A
<u>Ogdensburg Borough</u>				
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	122,085,810	52,851	6.30%
2015	2,286	126,866,142	55,497	6.90%
2016	2,291	128,715,253	56,183	4.60%
2017	2,282	135,078,426	59,193	4.90%
2018	2,266	134,131,338	59,193	*
2019	2,266 **	134,131,338 **	59,193 *	N/A

* - Latest Sussex County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

N/A - Information Unavailable

Sources:

^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

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

	2018		2009		Percentage of Total Employment
	Employer	Employees	Employer	Employees	
Selective Insurance Group		1,000-4,999	Crystal Springs Golf and Spa Resort	2,000	5.05%
Crystal Springs Resort		1,000-4,999	Newton Memorial Hospital	1,490	3.76%
Newton Medical Center		500-999	Selective Insurance	900	2.27%
Sussex County Offices		500-999	County of Sussex	830	2.10%
Thorlabs		500-999	Mountain Creek Resort	800	2.02%
Mountain Creek Resort		500-999	Shop Rite (Ronetco)	697	1.76%
Shop Rite		250-499	Ames Rubber Corp	445	1.12%
Sussex County Community College		250-499	Walmart	412	1.04%
United Methodist Community Bristol Glen		250-499	Andover Sub Acute & Rehab Center	300	0.76%
Andover Subacute & Rehab Center		100-249	Sussex County Community College	300	0.76%
		<u>4,850-15,740</u>		<u>8,174</u>	<u>20.64%</u>

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

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction	52.0	55.5	55.5	47.0	47.0	50.0	50.5	50.5	47.0	45.0
Regular	7.0	8.0	9.0	9.0	9.0	9.0	12.0	12.0	14.0	15.0
Special Education	1.0			0.5	0.2	1.0	1.0	1.0	1.0	1.0
Other Special Education										
Support Services:										
Student and Instruction Related Services	20.0	11.5	11.5	10.0	14.0	13.5	13.5	13.5	13.5	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	4.0	4.0	4.0	4.0	4.0	4.0
Plant Operations and Maintenance	9.0	8.0	8.0	8.0	8.0	9.5	11.0	9.5	10.5	10.0
Business and Other Support Services	6.0	6.0	6.0	6.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	100.0	94.0	95.0	85.5	86.2	91.0	96.0	94.5	94.0	92.5

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
2010	788	\$ 14,495,892	\$ 18,396	4.96%	65	1:12.2	1:12.2	790	757	-3.69%	95.99%
2011	775	14,495,892	18,704	1.68%	67	1:11.8	1:11.8	780	745	-1.59%	95.99%
2012	706	15,180,719	21,518	15.04%	64	1:11.6	1:11.6	708	678	-9.23%	95.80%
2013	684	14,667,889	21,444	-0.34%	57	1:12.1	1:12.1	691	658	-2.95%	95.22%
2014	660	14,921,046	22,608	5.43%	57	1:12.1	1:12.1	665	619	-5.93%	93.08%
2015	685	15,423,262	22,516	5.00%	60	1:12.1	1:12.1	673	643	3.88%	95.54%
2016	670	15,822,111	23,615	4.46%	64	1:10.2	1:10.2	670	638	-3.07%	95.22%
2017	674	16,233,252	24,085	1.99%	64	1:12.1	1:12.1	674	640	-0.31%	94.96%
2018	623	16,721,401	26,840	11.44%	62	1:12.0	1:12.0	623	585	8.59%	93.90%
2019	590	17,624,153	29,871	11.29%	61	1:12.6	1:12.6	603	585	0.00%	97.01%

Source: Wallkill Valley Regional High School District records

Note: Enrollment based on annual October district count.

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
High School (1982)	176,500	176,500	176,500	176,500	176,500	176,500	176,500	176,500	176,500	176,500
Square Feet	950	950	950	950	950	950	950	950	950	950
Capacity (students)	788	775	706	684	660	685	670	674	623	590
Enrollment										

Number of Schools at June 30, 2019
 High School = 1

Source: Walkill 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
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
2016	238,809		238,809
2017	128,842		128,842
2018	205,793		205,793
2019	202,743		202,743

* 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, 2019
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy – NJSIG Insurance Building & Personal Property/Boiler	\$ 44,336,216	\$ 5,000
General Liability Including Employee Benefits Each Occurrence General Aggregate Product/Completed Operations Personal Injury	11,000,000	
Auto Liability	11,000,000	25,000
Environmental Impairment Liability	1,000,000	
Crime Coverage	250,000	1,000
Faithful Performance	250,000	1,000
Forgery & Alteration	100,000	1,000
Money and Securities	100,000	1,000
Money Orders/Counterfeit	100,000	1,000
Computer Fraud	500,000	1,000
School Board Legal Liability (SLPL) (coverage A)	11,000,000	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

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, 2019, 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 8, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

November 8, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP

NISIVOCCIA LLP



John J. Mooney, Partner

Licensed Public School Accountant #2602

Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-298-8500 | 973-298-8501 Fax
 Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

The Honorable President and Members
 Of the Board of Education
 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 *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, 2019. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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, 2019.

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 the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

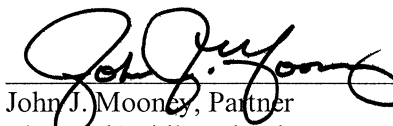
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

November 8, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP

NISIVOCCIA LLP



John J. Mooney, Partner
Licensed Public School Accountant #2602
Certified Public Accountant

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue/ (Accounts Receivable) 6/30/2018	Cash Received	Budgetary Expenditures	Balance 6/30/2019		Amounts Provided to Subrecipients
							Accounts Receivable	Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:									
General Fund:									
93.778	N/A	7/1/18 - 6/30/19	\$ 1,617		\$ 1,617	\$ (1,617)			
Medicaid Reimbursement									
Total General Fund									
U.S. Department of Agriculture									
Passed-through State Department of Agriculture:									
Child Nutrition Cluster:									
10.555	N/A	7/1/18-6/30/19	15,973		15,973	(14,483)	\$ 1,490		
10.555	N/A	7/1/17-6/30/18	9,729	\$ 948		(948)			
10.555	N/A	7/1/18-6/30/19	48,507		46,630	(48,507)	\$ (1,877)		
10.555	N/A	7/1/17-6/30/18	45,716	(2,674)	2,674				
Total U.S. Department of Agriculture/Child Nutrition Cluster									
U.S. Department of Education									
Passed-through State Department of Education:									
Elementary and Secondary Education Act Grant:									
Title I									
84-010A	ESEA-5435-19	7/1/18-6/30/19	73,747		73,747	(73,747)			
84-010A	ESEA-5435-18	7/1/17-6/30/18	73,233	760		(760)			
84.367A	ESEA-5435-19	7/1/18-6/30/19	13,793		13,793	(13,793)			
84.367A	ESEA-5435-18	7/1/17-6/30/18	13,590	399		(399)			
84.424	ESEA-5435-19	7/1/18-6/30/19	10,000		10,000	(10,000)			
Special Education Cluster									
84-027	FT-5435-19	7/1/18-6/30/19	128,009		128,009	(128,009)			
84.048A	N/A	7/1/18-6/30/19	6,652	565	5,204	(4,375)	829		
84.048A	N/A	7/1/17-6/30/18	10,917		440	(1,005)			
Total U.S. Department of Education									
					231,193	(232,088)	829		
Total Federal Financial Awards					\$ 298,087	\$ (297,643)	\$ 2,319	\$ -0-	

N/A - Not Available

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance		Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Balance 6/30/2019		MEMO	
				Unearned Revenue (Accounts Receivable) 6/30/2018	GAAP (Accounts Receivable)				Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures	
NJ Department of Education:												
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 2,938,820	\$ (291,436)	\$	\$ 291,436					\$	\$ 2,938,820
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	41,080	(4,074)		4,074						41,080
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	467,610	(46,372)		46,372						467,610
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	421,248	(41,774)		41,774						421,248
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	67,325	(6,676)		6,676						67,325
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	621,317	(61,615)		61,615						621,317
Additional Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	71,890	(7,129)		7,129						71,890
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	6,580	(653)		653						6,580
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	6,580	(653)		653						6,580
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	6,770	(671)		671						6,770
Host District Aid	18-495-034-5120-102	7/1/17-6/30/18	1,060	(105)		105						1,060
Emergency Aid	18-495-034-5120-102	7/1/17-6/30/18	94,904	(94,904)		94,904						94,904
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	126,567	(126,567)		126,567						126,567
Non-Public Transportation	18-495-034-5120-014	7/1/17-6/30/18	13,225	(13,225)		13,225						13,225
Reimbursed TPAF Social Security Contributions	18-495-034-5095-003	7/1/17-6/30/18	454,024	(22,529)		22,529						454,024
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19	1,158,559		\$	1,158,559	\$ (1,158,559)				\$	1,158,559
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19	536,521			536,521	(536,521)					536,521
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19	24,252			24,252	(24,252)					24,252
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	1,149			1,149	(1,149)					1,149
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	7/1/18-6/30/19	463,765			441,232	(463,765)			\$ (22,533)	\$	463,765
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	2,938,820			2,652,149	(2,938,820)				(286,671)	2,938,820
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	4,252			3,837	(4,252)				(415)	4,252
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	508,608			458,995	(508,608)				(49,613)	508,608
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	525,097			473,876	(525,097)				(51,221)	525,097
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	67,325			60,758	(67,325)				(6,567)	67,325
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	485,305			437,965	(485,305)				(47,340)	485,305
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	160,129				(160,129)			(160,129)	(160,129)	160,129
Non-Public Transportation	19-495-034-5120-014	7/1/18-6/30/19	14,806				(14,806)			(14,806)	(14,806)	14,806
Total General Fund State Aid				(718,383)		6,967,676	(6,888,588)			(197,468)	(639,295)	12,227,588
Total NJ Department of Education				(718,383)		6,967,676	(6,888,588)			(197,468)	(639,295)	12,227,588

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance			Balance 6/30/2019		MEMO	
				Unearned Revenue (Accounts Receivable) 6/30/2018	Carryover/(Walkover) Amount	Cash Received	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
Enterprise Fund:										
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	\$ 2,044	\$ (112)	\$	112	\$	(76)	\$	2,044
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	2,074	(112)	2,110	1,998	(76)			2,074
Total Enterprise Fund										4,118
Total State Awards				\$ (718,495)	\$ -0-	\$ 6,969,786	\$ (197,544)	\$ -0-	\$ (639,295)	\$ 15,154,303
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19								\$ 1,158,559
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19								536,521
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19								24,252
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19								1,149
Subtotal - On-Behalf TPAF Pension System Contributions										1,720,481
Total State Awards Subject to Single Audit Major Program Determination										\$ (5,170,181)

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, 2019

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, 2019. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes 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 \$19,331 for the general fund and \$6,300 for the Special Revenue Fund for state and federal grant awards. 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.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,617	\$ 6,907,919	\$ 6,909,536
Special Revenue Fund	232,088		232,088
Enterprise Fund - Food Service	<u>63,938</u>	<u>2,074</u>	<u>66,012</u>
	<u>\$ 297,643</u>	<u>\$ 6,909,993</u>	<u>\$ 7,207,636</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2019. 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, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2019 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following awards:

<u>State:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 525,097	\$ 525,097
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	2,938,820	2,938,820
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	67,325	67,325
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	485,305	485,305
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	4,252	4,252

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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 the Uniform Guidance and New Jersey's OMB Circular 15-08.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings:

There were no findings in the prior year.