

**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, 2020**

**Comprehensive Annual  
Financial Report**

**of the**

**Wallkill Valley Regional  
High School District**

**Hamburg, New Jersey**

**For the Fiscal Year Ended June 30, 2020**

**Prepared by**

**Wallkill Valley Regional High School  
For the Fiscal Year Ended June 30, 2020**

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INTRODUCTORY SECTION



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

*10 Grumm Road, Hamburg, NJ 07419*

*Phone (973) 827-4100*

*Fax (973) 827-8318*

December 15, 2020

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, 2020, 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.

2) ECONOMIC CONDITION AND OUTLOOK: The growth in the constituent communities has slowed down considerably. Average daily enrollment at the high school decreased by 52 students over the previous year. As of June 30, 2020, the enrollment was 588 as of September 5, 2020 we had 600 students enrolled at Wallkill Valley Regional High School, an increase of 12 students over the summer.

3) MAJOR INITIATIVES: A new generator was installed, the baseball field and soccer fields were updated, the media center, weight room and two bathrooms were renovated.

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, 2020.

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  
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December 15, 2020

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.

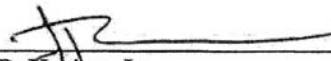
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Wallkill Valley Regional High School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development 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,



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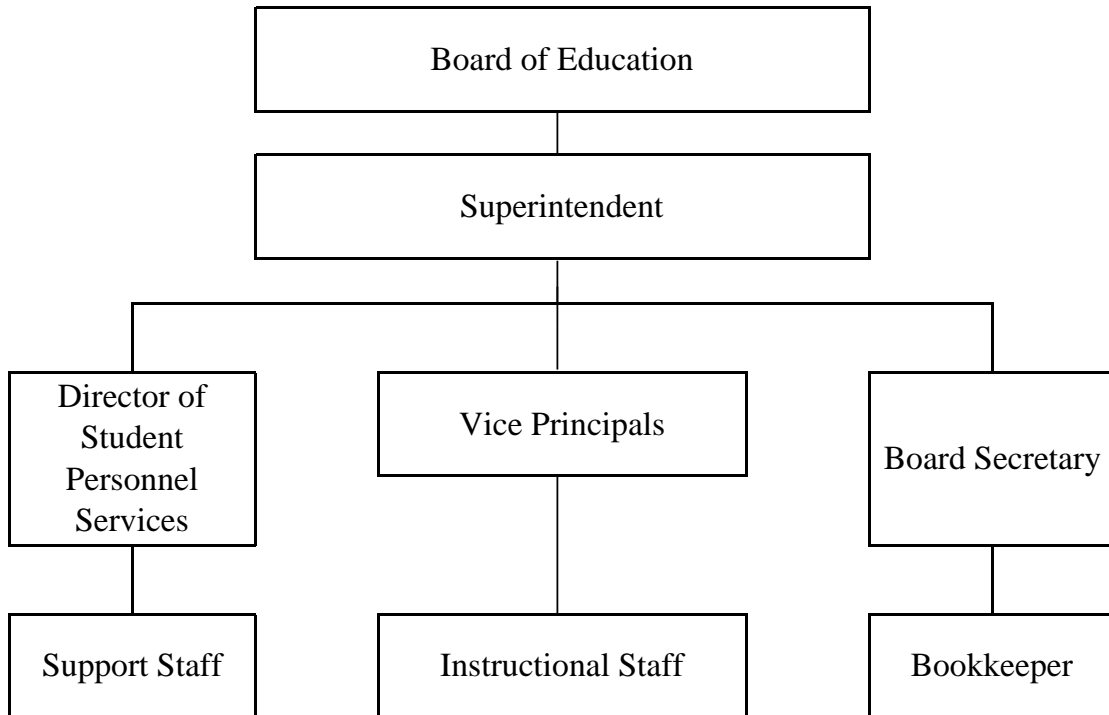
David Carr  
Superintendent/Principal



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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, 2020**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Thomas Kabatra	Franklin Borough	2022
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	2022
Wayne McWilliams	Ogdensburg Borough	2022
 <u>Other Officers</u>		
David Carr	Superintendent/Principal	
Joseph P. Hurley Jr.	Business Administrator/Board Secretary	
Barbara Decker	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  
Walkill 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 Walkill Valley Regional High School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2020, 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, 2020, 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 accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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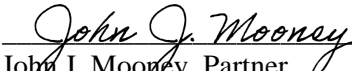
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 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.

December 15, 2020  
Mount Arlington, New Jersey

  
NISIVOCCIA LLP

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



REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020**

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, 2020. 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**

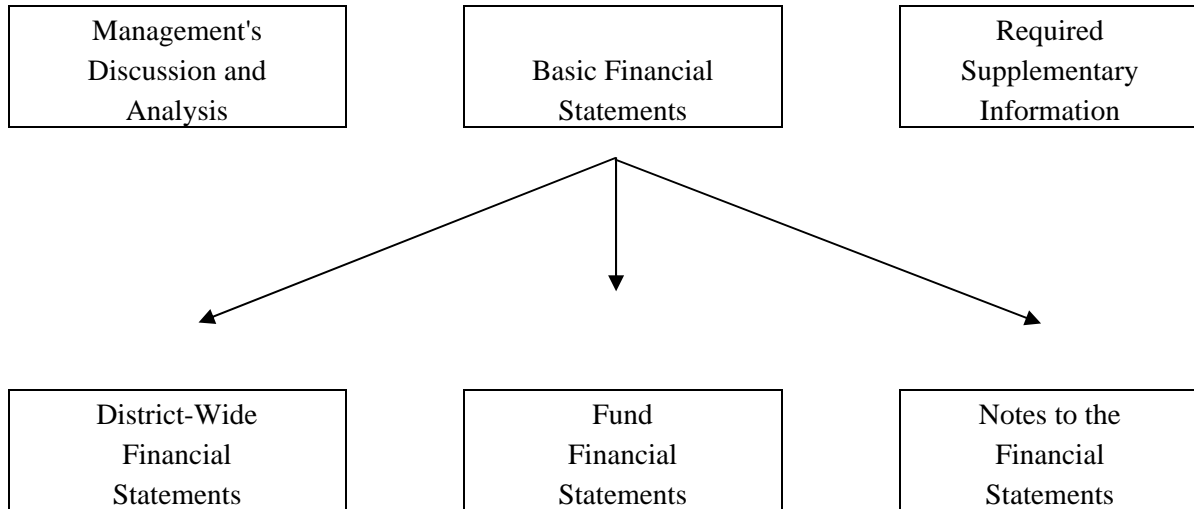


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents 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"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## ***District-wide Statements***

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, 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 District's *combined* net position was \$7,692,527 one June 30, 2020, which is \$1,043,439, or 15.69%, more than the year before. (See Figure A-3)

**Figure A-3**

#### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	
Current and Other Assets	\$ 1,897,910	\$ 2,600,068	\$ 30,925	\$ 16,010	\$ 1,928,835	\$ 2,616,078	
Capital Assets, Net	10,681,305	10,412,118	22,567	20,533	10,703,872	10,432,651	
Total Assets	12,579,215	13,012,186	53,492	36,543	12,632,707	13,048,729	3.29%
Deferred Outflows of Resources	814,736	553,486			814,736	553,486	-32.07%
Other Liabilities	546,952	645,593	10,662	9,117	557,614	654,710	
Long-term Liabilities	5,197,912	4,247,483			5,197,912	4,247,483	
Total Liabilities	5,744,864	4,893,076	10,662	9,117	5,755,526	4,902,193	-14.83%
Deferred Inflows of Resources	1,042,829	1,007,495			1,042,829	1,007,495	-3.39%
Net Investment in Capital Assets	8,187,619	8,269,661	22,567	20,533	8,210,186	8,290,194	
Restricted	1,314,502	1,970,811			1,314,502	1,970,811	
Unrestricted/ (Deficit)	(2,895,863)	(2,575,371)	20,263	6,893	(2,875,600)	(2,568,478)	
Total Net Position	\$ 6,606,258	\$ 7,665,101	\$ 42,830	\$ 27,426	\$ 6,649,088	\$ 7,692,527	15.69%

*Changes in Net Position.* Net position from governmental activities increased \$1,058,843 while net position from business-type activities decreased \$15,404. The increase in governmental activities is due to a \$656,309 increase in the Capital Reserve, a \$82,042 increase in Net Investment in Capital Assets, and a \$320,492 increase in Unrestricted, mostly due to a change in the net pension liability.

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

	Governmental Activities		Business-Type Activities		Total School District		% Change
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	
Revenue:							
Program Revenue:							
Charges for Services			\$ 152,516	\$ 98,102	\$ 152,516	\$ 98,102	
Operating Grants and Contributions	\$ 8,546,259	\$ 7,477,202	66,012	51,414	8,612,271	7,528,616	
General Revenue:							
Property Taxes	10,925,383	11,123,137			10,925,383	11,123,137	
Other	247,033	280,339	52	239	247,085	280,578	
Total Revenue	<u>19,718,675</u>	<u>18,880,678</u>	<u>218,580</u>	<u>149,755</u>	<u>19,937,255</u>	<u>19,030,433</u>	-4.55%
Expenses:							
Instruction	10,542,029	9,314,057			10,542,029	9,314,057	
Pupil and Instruction Services	4,358,762	3,978,141			4,358,762	3,978,141	
Administrative and Business	1,551,426	1,582,521			1,551,426	1,582,521	
Maintenance and Operations	1,383,232	1,314,313			1,383,232	1,314,313	
Transportation	1,498,526	1,444,515			1,498,526	1,444,515	
Other	167,803	185,194	228,510	168,253	396,313	353,447	
Total Expenses	<u>19,501,778</u>	<u>17,818,741</u>	<u>228,510</u>	<u>168,253</u>	<u>19,730,288</u>	<u>17,986,994</u>	-8.84%
Other Item -							
Transfer		(3,094)		3,094			0.00%
Adjustment to Capital Asset			(12,177)		(12,177)		100.00%
Increase/(Decrease) in Net Position	<u>\$ 216,897</u>	<u>\$ 1,058,843</u>	<u>\$ (22,107)</u>	<u>\$ (15,404)</u>	<u>\$ 206,967</u>	<u>\$ 1,043,439</u>	404.16%

**Governmental Activities**

As discussed elsewhere in this commentary, the financial position increased by \$1,058,843. However 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	
	2018/2019	2019/2020	2018/2019	2019/2020
Instruction	\$ 10,542,029	\$ 9,314,057	\$ 3,573,682	\$ 3,220,095
Pupil and Instruction Services	4,358,762	3,978,141	3,613,123	3,335,539
Administrative and Business	1,551,426	1,582,521	1,269,763	1,359,713
Maintenance and Operations	1,383,232	1,314,313	1,356,036	1,314,313
Transportation	1,498,526	1,444,515	975,112	926,685
Other	167,803	185,194	167,803	185,194
	<u>\$ 19,501,778</u>	<u>\$ 17,818,741</u>	<u>\$ 10,955,519</u>	<u>\$ 10,341,539</u>

## Business-Type Activities

Net position from the District's business-type activity decreased by \$15,404. (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenues by \$18,498, accounting for the decrease in the net position of the business-type activities. There was also a transfer to cover the enterprise fund deficit in the amount of \$3,094. 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 2019/2020
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	
Buildings, Building and Site Improvements	\$ 9,857,167	\$ 9,650,227			\$ 9,857,167	\$ 9,650,227	
Furniture, Machinery, and Equipment	824,138	761,891	\$ 22,567	\$ 20,533	846,705	782,424	
Total Capital Assets - (Net of Depreciation)	\$ 10,681,305	\$ 10,412,118	\$ 22,567	\$ 20,533	\$ 10,703,872	\$ 10,432,651	-2.53%

**Figure A-7**

## Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2018/2019	2019/2020	
General Obligation Bonds (Financed with Property Taxes)	\$ 2,460,000	\$ 2,120,000	
Net Pension Liability	2,220,688	1,975,613	
Unamortized Bond Premium	33,686	22,457	
Other Long Term Liabilities	483,538	480,642	
	\$ 5,197,912	\$ 4,598,712	-11.53%



## **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 2020-2021 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 effect in 2020-21.

## **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, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 913,575	\$ 1,467	\$ 915,042
Receivables from State Government	159,915	6	159,921
Receivables from Federal Government	109,423	376	109,799
Internal Balances	(3,238)	3,238	
Other Receivables	4,860		4,860
Inventory		10,923	10,923
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	1,415,533		1,415,533
Capital Assets:			
Depreciable Buildings and Building Improvements, Site Improvements and Furniture, Machinery and Equipment	10,412,118	20,533	10,432,651
Total Assets	<u>13,012,186</u>	<u>36,543</u>	<u>13,048,729</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	553,486		553,486
Total Deferred Outflows of Resources	<u>553,486</u>		<u>553,486</u>
<b>LIABILITIES</b>			
Accounts Payable - Vendors	265,571	6,097	271,668
Unearned Revenue	11,135	3,020	14,155
Accrued Interest Payable	17,658		17,658
Noncurrent Liabilities:			
Due Within One Year	351,229		351,229
Due Beyond One Year	4,247,483		4,247,483
Total Liabilities	<u>4,893,076</u>	<u>9,117</u>	<u>4,902,193</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	1,007,495		1,007,495
Total Deferred Inflows of Resources	<u>1,007,495</u>		<u>1,007,495</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,269,661	20,533	8,290,194
Restricted for:			
Capital Projects	1,795,884		1,795,884
Debt Service	56,346		56,346
Excess Surplus	118,581		118,581
Unrestricted/(Deficit)	(2,575,371)	6,893	(2,568,478)
Total Net Position	<u>\$ 7,665,101</u>	<u>\$ 27,426</u>	<u>\$ 7,692,527</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, 2020

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	\$ 7,284,050		\$ 5,104,577	\$ (2,179,473)		\$ (2,179,473)
Special Education	1,201,160		972,361	(228,799)		(228,799)
Other Special Instruction	66,855		17,024	(49,831)		(49,831)
School Sponsored/Other Instruction	761,992			(761,992)		(761,992)
Support services:						
Tuition	1,453,018		130,630	(1,322,388)		(1,322,388)
Student & Instruction Related Services	2,525,123		511,972	(2,013,151)		(2,013,151)
General Administrative Services	716,971		91,267	(625,704)		(625,704)
School Administrative Services	634,481		131,541	(502,940)		(502,940)
Central Services	231,069			(231,069)		(231,069)
Plant Operations and Maintenance	1,314,313			(1,314,313)		(1,314,313)
Pupil Transportation	1,444,515		517,830	(926,685)		(926,685)
Interest on Long-Term Debt	70,865			(70,865)		(70,865)
Unallocated Depreciation	46,192			(46,192)		(46,192)
Capital Outlay	68,137			(68,137)		(68,137)
Total Governmental Activities	17,818,741	\$ -0-	7,477,202	(10,341,539)	\$ -0-	(10,341,539)

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Food Service	\$ 168,253	\$ 51,414		\$ (18,737)	\$ (18,737)
Total Business-Type Activities	168,253	51,414		(18,737)	(18,737)
Total Primary Government	\$ 17,986,994	\$ 7,528,616	\$ (10,341,539)	\$ (18,737)	\$ (10,360,276)

General Revenues and Transfer:

Taxes:					
Property Taxes, Levied for General Purposes, Net		\$ 10,700,375			\$ 10,700,375
Taxes Levied for Debt Service		422,762			422,762
Interest on Investments		24,510	\$	239	24,749
Interest Earned in Capital Projects		5,448			5,448
Miscellaneous Income		250,381			250,381
Transfer		(3,094)		3,094	
Total General Revenue and Other Item		11,400,382		3,333	11,403,715
Change in Net Position		1,058,843		(15,404)	1,043,439
Net Position - Beginning		6,606,258		42,830	6,649,088
Net Position - Ending		\$ 7,665,101		\$ 27,426	\$ 7,692,527

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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 476,878		\$ 435,799	\$ 898	\$ 913,575
Receivables From State Government	159,915				159,915
Receivables From Federal Government		\$ 109,423			109,423
Interfund Receivable	77,319			55,448	132,767
Other Receivables	4,860				4,860
Restricted Cash and Cash Equivalents	<u>1,415,533</u>				<u>1,415,533</u>
<b>Total Assets</b>	<u>\$ 2,134,505</u>	<u>\$ 109,423</u>	<u>\$ 435,799</u>	<u>\$ 56,346</u>	<u>\$ 2,736,073</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable - Vendors	\$ 124,602	\$ 20,969			\$ 145,571
Interfund Payable	3,238	77,319	\$ 55,448		136,005
Unearned Revenue		<u>11,135</u>			<u>11,135</u>
<b>Total Liabilities</b>	<u>127,840</u>	<u>109,423</u>	<u>55,448</u>		<u>292,711</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	1,415,533				1,415,533
Excess Surplus - 2020-2021	118,581				118,581
Capital Projects Fund			380,351		380,351
Debt Service Fund				\$ 56,346	56,346
Assigned to:					
Year-end Encumbrances	<u>472,551</u>				<u>472,551</u>
<b>Total Fund Balances</b>	<u>2,006,665</u>		<u>380,351</u>	<u>56,346</u>	<u>2,443,362</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,134,505</u>	<u>\$ 109,423</u>	<u>\$ 435,799</u>	<u>\$ 56,346</u>	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	10,412,118
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.	(2,600,642)
Bond Premiums are Reported as revenue in the Governmental Funds. The Premium is \$157,196 and the accumulated Amortization is \$134,739.	(22,457)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditure when due.	(17,658)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(1,975,613)
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	433,486
Deferred Inflows	<u>(1,007,495)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 7,665,101</u>

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



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUE:</b>					
Local Sources:					
Local Tax Levy	\$ 10,700,375			\$ 422,762	\$ 11,123,137
Interest on Investments	20,992		\$ 5,448		26,440
Interest Earned on Capital Reserve Funds	3,518				3,518
Unrestricted Miscellaneous	249,381	\$ 1,000			250,381
Total - Local Sources	10,974,266	1,000	5,448	422,762	11,403,476
State Sources	6,743,411				6,743,411
Federal Sources	2,118	226,001			228,119
Total Revenue	17,719,795	227,001	5,448	422,762	18,375,006
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	4,284,446				4,380,817
Special Education Instruction	715,692	96,371			715,692
Other Special Instruction	39,565				39,565
School Sponsored/Other Instruction	665,913				665,913
Support Services and Undistributed Costs:					
Tuition	1,322,388				1,453,018
Student & Instruction Related Services	1,634,765	130,630			1,634,765
General Administrative Services	484,202				484,202
School Administrative Services	387,053				387,053

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES (Cont'd):</b>					
Support Services and Undistributed Costs (Cont'd):					
Central Services	\$ 193,726				\$ 193,726
Plant Operations and Maintenance	1,066,609				1,066,609
Pupil Transportation	1,444,515				1,444,515
Benefits - Allocated and Unallocated	4,288,500				4,288,500
Debt Service:					
Principal				\$ 340,000	\$ 340,000
Interest and Other Charges				83,194	83,194
Capital Outlay	228,240				228,240
Total Expenditures	<u>16,755,614</u>	<u>\$ 227,001</u>		<u>423,194</u>	<u>17,405,809</u>
Excess/(Deficiency) of Revenue over/(under) Expenditures	964,181		\$ 5,448	(432)	969,197
<b>OTHER FINANCING SOURCES/(USES):</b>					
Transfers In				55,448	55,448
Transfers Out	(3,094)		(55,448)		(58,542)
Total Other Financing Sources/(Uses)	<u>(3,094)</u>		<u>(55,448)</u>	<u>55,448</u>	<u>(3,094)</u>
Net Change in Fund Balances	961,087		(50,000)	55,016	966,103
Fund Balance—July 1	1,045,578		430,351	1,330	1,477,259
Fund Balance—June 30	<u>\$ 2,006,665</u>	<u>\$ -0-</u>	<u>\$ 380,351</u>	<u>\$ 56,346</u>	<u>\$ 2,443,362</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, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 966,103

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.

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.

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 (+).

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.

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.

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	245,075
Change in Deferred Outflows	(273,707)
Change in Deferred Inflows	<u>35,334</u>

Change in Net Position of Governmental Activities (A-2)

\$ 1,058,843

Depreciation Expense	\$ (429,290)
Addition of Capital Assets	<u>160,103</u>

(269,187)

340,000

2,896

1,100

11,229

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, 2020

	<u>Business-type Activities - Enterprise Funds Food Service</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,467
Accounts Receivable:	
State	6
Federal	376
Interfund Receivable	3,238
Inventories	<u>10,923</u>
Total Current Assets	<u>16,010</u>
Non-Current Assets:	
Capital Assets	96,205
Less: Accumulated Depreciation	<u>(75,672)</u>
Total Non-Current Assets	<u>20,533</u>
Total Assets	<u>36,543</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	6,097
Unearned Revenue - Prepaid Sales	1,294
Unearned Revenue - Donated Commodities	<u>1,726</u>
Total Current Liabilities	<u>9,117</u>
<u>NET POSITION:</u>	
Investment in Capital Assets	20,533
Unrestricted	<u>6,893</u>
Total Net Position	<u>\$ 27,426</u>

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds
	Food Service
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 54,104
Daily Sales - Non-Reimbursable Programs	43,998
	98,102
Total Operating Revenue	98,102
Operating Expenses:	
Cost of Sales - Reimbursable Programs	49,260
Cost of Sales - Non Reimbursable Programs	35,847
Salaries & Payroll Taxes	59,209
Employee Benefits	6,782
Management Fee	9,214
Professional and Technical Services	308
Depreciation Expense	2,034
Other Miscellaneous Expenses	5,599
	168,253
Total Operating Expenses	168,253
Operating (Loss)	(70,151)
Non-Operating Revenue:	
State Sources:	
COVID 19 - Seamless Summer Option	9
State School Lunch Program	1,319
Federal Sources:	
COVID 19 - Seamless Summer Option	545
National School Lunch Program	34,927
Food Distribution Program	14,614
Local Sources:	
Interest on Investments	239
	51,653
Total Non-Operating Revenue	51,653
Change in Net Position Before Transfer	(18,498)
General Fund Transfer to Cover Deficit	3,094
	(15,404)
Change in Net Position After Transfer	(15,404)
Net Position - Beginning of Year	42,830
Net Position - End of Year	\$ 27,426

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, 2020

	Business-type Activities - Enterprise Funds
	Food Service
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 98,102
Payments to Employees	(59,209)
Payments for Benefits	(6,782)
Payments to Food Service Vendor	(9,214)
Payments to Suppliers	(72,206)
Net Cash (Used for) Operating Activities	(49,309)
Cash Flows from Noncapital Financing Activities:	
Cash Received from Operating Transfers	3,094
Cash Received from Federal and State Sources	38,371
Net Cash Provided by Noncapital Financing Activities	41,465
Cash Flows from Investing Activities:	
Investment Income	239
Net Cash Flows Provided by Investing Activities	239
Net (Decrease) in Cash and Cash Equivalents	(7,605)
Cash and Cash Equivalents, July 1	9,072
Cash and Cash Equivalents, June 30	\$ 1,467
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (70,151)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Federal Food Distribution Program	14,614
Depreciation	2,034
Changes in Assets and Liabilities:	
Decrease in Interfund Receivable	9,375
(Increase) in Inventory	(4,239)
(Decrease) in Accounts Payable	(3,075)
Increase in Unearned Revenue - Prepaid Sales	1,897
Increase in Unearned Revenue - Donated Commodities	236
Net Cash (Used for) Operating Activities	\$ (49,309)

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 \$14,850 and utilized commodities valued at \$14,614.

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, 2020

	<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	\$ 265,613	\$ 75,621	\$ 7,951	\$ 349,185
Total Assets	<u>265,613</u>	<u>75,621</u>	<u>7,951</u>	<u>349,185</u>
<u>LIABILITIES:</u>				
Net Salaries and Wages	2,033			2,033
Payroll Deductions and Withholdings	64,487			64,487
Due to Student Groups	199,093			199,093
Total Liabilities	<u>265,613</u>			<u>265,613</u>
<u>NET POSITION:</u>				
Held in Trust for Unemployment Claims			7,951	7,951
Restricted For Scholarships		75,621		75,621
Total Net Position	<u>\$ -0-</u>	<u>\$ 75,621</u>	<u>\$ 7,951</u>	<u>\$ 83,572</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, 2020

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Totals</u>
ADDITIONS:			
Contributions:			
Donations		\$ 3,850	\$ 3,850
Total Contributions		<u>3,850</u>	<u>3,850</u>
Investment Earnings:			
Interest	\$ 99	440	539
Net Investment Earnings	<u>99</u>	<u>440</u>	<u>539</u>
Total Additions	<u>99</u>	<u>4,290</u>	<u>4,389</u>
DEDUCTIONS:			
Scholarships Awarded		3,216	3,216
Total Deductions		<u>3,216</u>	<u>3,216</u>
Change in Net Position	99	1,074	1,173
Net Position - Beginning of the Year	<u>7,852</u>	<u>74,547</u>	<u>82,399</u>
Net Position - End of the Year	<u>\$ 7,951</u>	<u>\$ 75,621</u>	<u>\$ 83,572</u>

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



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020  
(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, 2020  
(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, 2020  
(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, 2020 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, 2020  
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,703,323	\$ 234,301
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.		(7,300)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	441,827	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(425,355)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 17,719,795	\$ 227,001
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,755,614	\$ 234,301
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.		(7,300)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,755,614	\$ 227,001

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, 2020  
(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, 2020  
(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, 2020.

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, 2020.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(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 \$2,006,665 General Fund fund balance at June 30, 2020, \$472,551 is assigned for year-end encumbrances which is \$94,472 less on a GAAP basis, due to the final two state aid payments which are not recognized until the fiscal year ended June 30, 2021; \$1,415,533 is restricted for the capital reserve account; \$118,581 is prior year excess surplus which will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2021, \$-0- is assigned for subsequent year's expenditures which is \$29,964 less on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2021; and \$-0- is unassigned which is \$300,919 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, 2021.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2020 is \$380,351.

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2020 of \$56,346 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, 2020 as noted above.

The District's fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$425,355 (\$300,919 in unassigned fund balance, \$29,964 in fund balance assigned for subsequent year's expenditures, \$94,472 in encumbrances), 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, 2020  
(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 \$2,575,371 deficit in its governmental activities Unrestricted Net Position at June 30, 2020 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, 2020  
(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, excess surplus 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, 2020.

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 on a budgetary basis at June 30, 2020.

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, 2020  
(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, 2020  
(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, 2020  
(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, 2020, 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	\$ 1,264,227	\$ 1,415,533	\$ 2,679,760
	<hr/> \$ 1,264,227	<hr/> \$ 1,415,533	<hr/> \$ 2,679,760

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$2,679,760 and the bank balance was \$3,095,068.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 764,240
Increased by:	
Board Resolution June 24, 2020	647,775
Interest Earnings	3,518
Ending Balance, June 30, 2020	\$ 1,415,533

The June 30, 2020 Long Range Facilities Plan (LRFP) balance of local support costs of uncompleted capital projects at June 30, 2020 is equal to or greater than \$1,415,533.

NOTE 5. TRANSFER TO CAPITAL OUTLAY:

During the year ended June 30, 2020, the District made transfers to capital outlay accounts in the amount of \$13,000 for construction services which was approved by the county superintendent and \$359,988 for equipment which did not require county superintendent approval.

NOTE 6. CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 89,335
Other Instruction	51,300
General Administrative Services	86,072
School Administrative Services	22,667
Plant Operation and Maintenance	133,724
Unallocated	46,192
	\$ 429,290

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2020 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	\$ 106,147		\$ 18,341,630
Machinery and Equipment	<u>1,670,304</u>	<u>53,956</u>	<u>\$ (30,395)</u>	<u>1,693,865</u>
Total Capital Assets Being Depreciated	<u>19,905,787</u>	<u>160,103</u>	<u>(30,395)</u>	<u>20,035,495</u>
Governmental Activities Capital Assets	<u>19,905,787</u>	<u>160,103</u>	<u>(30,395)</u>	<u>20,035,495</u>
Less Accumulated Depreciation for:				
Buildings, Building Improvements and Site Improvements	(8,378,316)	(313,087)		(8,691,403)
Machinery and Equipment	<u>(846,166)</u>	<u>(116,203)</u>	<u>30,395</u>	<u>(931,974)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,681,305</u>	<u>\$ (269,187)</u>	<u>\$ -0-</u>	<u>\$ 10,412,118</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 96,205			\$ 96,205
Less Accumulated Depreciation	<u>(73,638)</u>	<u>\$ (2,034)</u>		<u>(75,672)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 22,567</u>	<u>\$ (2,034)</u>	<u>\$ -0-</u>	<u>\$ 20,533</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance 6/30/19</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/20</u>	<u>Payable Within One Year</u>
Bond Payable	\$ 2,460,000		\$ 340,000	\$ 2,120,000	\$ 340,000
Unamortized Bond Premium	33,686		11,229	22,457	11,229
Compensated Absences Payable	483,538	\$ 41,726	44,622	480,642	
Net Pension Liability	<u>2,220,688</u>		<u>245,075</u>	<u>1,975,613</u>	
	<u>\$ 5,197,912</u>	<u>\$ 41,726</u>	<u>\$ 640,926</u>	<u>\$ 4,598,712</u>	<u>\$ 351,229</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2020 as follows:

Purpose	Maturity Date	<u>Serial Bonds</u> Interest Rate	Amount
2008 Refunding Bonds	7/15/2021	4.25%	\$ 485,000
Solar Panel Purchase and Installation	9/1/2031	3.00%-3.75%	1,635,000
			<u>\$ 2,120,000</u>

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
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	130,000	39,275	169,275
2026-2030	725,000	123,313	848,313
2031-2032	310,000	11,437	321,437
	<u>\$ 2,120,000</u>	<u>\$ 392,506</u>	<u>\$ 2,512,506</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, 2020.

C. Bonds and Notes Authorized but not Issued

The District had no bonds and notes authorized by not issued at June 30, 2020.



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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 is \$480,642. 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, 2020, 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, 2020 is \$-0- and the long term portion is \$1,975,613. 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 \$11,228.

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 tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$107,543 for fiscal year 2020.

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, 2020, the District reported a liability of \$1,975,613 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.0109%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$99,948. At June 30, 2020, 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, 2020  
(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)

	<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	6.44	\$ 5,221	
	2015	5.72	32,283	
	2016	5.57	159,768	
	2017	5.48		\$ 283,606
	2018	5.63		229,180
	2019	5.21		172,943
			<u>197,272</u>	<u>685,729</u>
Difference Between Expected and Actual Experience	2015	5.72	8,957	
	2016	5.57	4,849	
	2017	5.48	8,434	
	2018	5.63		8,727
	2019	5.21		13,220
			<u>35,460</u>	<u>8,727</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(36,464)
	2017	5.00		43,760
	2018	5.00		30,438
	2019	5.00		(6,548)
				<u>31,186</u>
Changes in Proportion	2014	6.44		7,179
	2015	5.72	16,554	
	2016	5.57	3,796	
	2017	5.48	180,404	
	2018	5.63		217,169
	2019	5.21		57,505
			<u>200,754</u>	<u>281,853</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	120,000	
			<u>\$ 553,486</u>	<u>\$ 1,007,495</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, 2020  
(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
2020	\$ (57,047)
2021	(185,058)
2022	(165,246)
2023	(77,592)
2024	(7,967)
	\$ (492,910)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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, 2020  
(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, 2019 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, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 2,495,520	\$ 1,975,613	\$ 1,537,517

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/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$1,281,974 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,132,331.

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, 2020, the State's proportionate share of the net pension liability associated with the District was \$36,151,824 The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2019. 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, 2019, the District's proportion was 0.059%, which was an increase of 0.001% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	36,151,824
Total	<u>\$ 36,151,824</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$2,132,331 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 768,874,621	
	2015	8.30	2,351,172,865	
	2016	8.30	5,609,216,856	
	2017	8.30		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.50		7,323,009
	2015	8.30	145,211,243	
	2016	8.30		69,755,412
	2017	8.30	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.0		(431,855,192)
	2017	5.0		452,016,524
	2018	5.0		288,091,115
	2019	5.0		(144,882,771)
			<u>163,369,676</u>	
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2019) 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, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, 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, 2020  
(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, 2019 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, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 42,631,002	\$ 36,151,824	\$ 30,776,152

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 \$3,700 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$6,556 for the fiscal year ended June 30, 2020.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2020 is not available as of the date of this report. Selected, summarized financial information for the NJSIG as of June 30, 2019 is as follows:

Total Assets	<u>\$ 359,852,548</u>
Net Position	<u>\$ 107,824,596</u>
Total Revenue	<u>\$ 140,293,549</u>
Total Expenses	<u>\$ 115,049,808</u>
Change in Net Position	<u>\$ 25,243,741</u>
Member Dividends	<u><u>\$ -0-</u></u>

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  
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(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>
2019-2020	\$ -0-	\$ 99	\$ -0-	\$ -0-	\$ 7,951
2018-2019	-0-	16	-0-	-0-	7,852
2017-2018	-0-	7	-0-	-0-	7,836

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, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 77,319	\$ 3,238
Special Revenue Fund		77,319
Capital Projects Fund		55,448
Debt Service Fund	55,448	
Enterprise Fund - Food Service	3,238	
	<u>\$ 136,005</u>	<u>\$ 136,005</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 \$55,448 due from the Capital Projects Fund to the Debt Service Fund for interest earned of \$5,448, and a partial close out the Capital Projects in the amount of \$50,000. \$3,238 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 and the negative cash balance in the Special Revenue Fund.

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. ACCOUNTS PAYABLE

Payables as of June 30, 2020, 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	\$ 124,602	\$ 20,969		\$ 145,571	\$ 6,097
Due to the State of New Jersey			\$ 120,000	120,000	
	<u>\$ 124,602</u>	<u>\$ 20,969</u>	<u>\$ 120,000</u>	<u>\$ 265,571</u>	<u>\$ 6,097</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	Lincoln National
Equitable Financial Companies	Siracusa Benefits
Metropolitan Life	

NOTE 14. TAX CALENDAR

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2020, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 567,023	\$ 7,300	\$ 574,323
\$ 567,023	\$ 7,300	\$ 574,323

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned to year-end encumbrances in the Special Revenue Fund, which is \$7,300 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

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, 2020  
(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)

Plan Description and Benefits Provided (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, 2018, the plan membership consisted of the following:

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



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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.

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 - 3.05%	2.00 - 6.00%
	based on service	based on service
	years	years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service	based on service
	years	years

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.

Mortality Rates

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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)

Health Care Trend Assumptions

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

Discount Rate

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

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 25,266,133
Changes for Year:	
Service Cost	730,194
Interest on the Total OPEB Liability	993,954
Difference between Actual and Expected Experience	(5,474,406)
Changes of Assumptions	316,101
Gross Benefit Payments by the State	19,291
Contributions from Members	<u>(650,791)</u>
Net Changes	<u>(4,065,657)</u>
Balance at June 30, 2019	<u>\$ 21,200,476</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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)

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

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

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 25,046,140	\$ 21,200,476	\$ 18,145,691

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

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 17,468,247	\$ 21,200,476	\$ 26,141,180

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(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)

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$139,248 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,468,163
	2018	9.51		2,122,955
	2019	9.29	\$ 282,074	
			<u>282,074</u>	<u>4,591,118</u>
Differences between Expected and Actual Experience	2018	9.51		2,006,853
	2019	9.29		3,320,038
				<u>5,326,891</u>
Changes in Proportion	N/A	N/A	<u>334,112</u>	<u>2,225,449</u>
			<u>\$ 616,186</u>	<u>\$ 12,143,458</u>

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

Fiscal Year Ending June 30,	Total
2020	\$ 1,293,764
2021	1,293,764
2022	1,293,764
2023	1,293,764
2024	1,293,764
Thereafter	<u>3,167,114</u>
	<u>\$ 9,635,935</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 17. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2020. The District had to record a transfer to cover a deficit in the Food Service Enterprise Fund in the amount of \$3,094. We expect the Food Service Enterprise Fund to be similarly impacted by COVID-19 for the 2020-21 school year.

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

WALKILL 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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0101924394%	0.0108757172%	0.0109434448%	0.0127718986%	0.0112785366%	0.0109643676%
District's proportionate share of the net pension liability	\$ 1,908,303	\$ 2,441,381	\$ 3,241,134	\$ 2,973,094	\$ 2,220,688	\$ 1,975,613
District's covered employee payroll	\$ 728,610	\$ 737,311	\$ 852,512	\$ 818,171	\$ 756,853	\$ 714,679
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%	293.41%	276.43%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 84,025	\$ 93,502	\$ 97,220	\$ 120,045	\$ 112,872	\$ 107,543
Contributions in relation to the contractually required contribution	(84,025)	(93,502)	(97,220)	(120,045)	(112,872)	(107,543)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 737,311	\$ 852,512	\$ 818,171	\$ 756,853	\$ 714,679	\$ 763,478
Contributions as a percentage of covered employee payroll	11.40%	10.97%	11.88%	15.86%	15.79%	14.09%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.0682367108%	0.0627778436%	0.0594575150%	0.0560857075%	0.0586886005%	0.0589070681%
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	\$ 36,151,824
District's covered employee payroll	\$ 5,840,104	\$ 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	601.21%	680.32%	786.92%	611.77%	594.42%	580.20%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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 SIX FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,889,320	\$ 2,422,716	\$ 3,514,345	\$ 2,619,632	\$ 2,176,583	\$ 2,132,331
Contributions in relation to the contractually required contribution	(339,400)	(476,040)	(608,796)	(864,276)	(1,182,811)	(1,281,974)
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>	<u>\$ 850,357</u>
District's covered employee payroll	\$ 5,832,327	\$ 5,943,830	\$ 6,181,216	\$ 6,281,165	\$ 6,230,969	\$ 6,271,884
Contributions as a percentage of covered employee payroll	5.82%	8.01%	9.85%	13.76%	18.98%	20.44%

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 THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 1,002,548	\$ 832,097	\$ 730,194
Interest Cost	913,581	1,056,891	993,954
Changes in Assumptions	(3,629,876)	(2,084,443)	(5,474,406)
Differences Between Expected and Actual Experiences		(2,899,415)	316,101
Member Contributions	24,745	23,350	19,291
Gross Benefit Payments	(672,009)	(675,607)	(650,791)
Net Change in Total OPEB Liability	(2,361,011)	(3,747,127)	(4,065,657)
Total OPEB Liability - Beginning	31,374,271	29,013,260	25,266,133
Total OPEB Liability - Ending	<u>\$ 29,013,260</u>	<u>\$ 25,266,133</u>	<u>\$ 21,200,476</u>
District's Covered Employee Payroll *	\$ 6,999,387	\$ 7,038,018	\$ 6,945,648
Total OPEB Liability as a Percentage of Covered Employee Payroll	414.51%	359.00%	305.23%

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

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

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 plan actuary's modified MP-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).

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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, 2020  
(Continued)

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

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

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

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

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

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

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

For pre-Medicare preferred provider organization (PPO) medical benefits 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.

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

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

BUDGETARY COMPARISON SCHEDULES

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 10,700,375		\$ 10,700,375	\$ 10,700,375	\$ 20,992
Interest Earned	100		100	3,518	3,418
Interest Earned on Capital Reserve Funds				249,381	248,381
Unrestricted Miscellaneous	1,000		1,000		
<b>Total - Local Sources</b>	<b>10,701,475</b>		<b>10,701,475</b>	<b>10,974,266</b>	<b>272,791</b>
State Sources:					
School Choice Aid	29,818		29,818		
Transportation Aid	508,608		508,608		
Special Education Aid	525,097		525,097		
Equalization Aid	2,938,820		2,938,820		
Security Aid	67,325		67,325		
Adjustment Aid	280,521		280,521		
Extraordinary Aid	127,069		127,069		
Non-public Transportation Aid				128,436	1,367
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				9,222	9,222
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,281,974	1,281,974
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				484,113	484,113
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				22,978	22,978
TPAF Social Security (Reimbursed - Non-Budgeted)				933	933
<b>Total State Sources</b>	<b>4,477,258</b>		<b>4,477,258</b>	<b>6,726,939</b>	<b>2,249,681</b>
Federal Sources:					
Medicaid Assistance Program	20,418		20,418	2,118	(18,300)
<b>Total Federal Sources</b>	<b>20,418</b>		<b>20,418</b>	<b>2,118</b>	<b>(18,300)</b>
<b>TOTAL REVENUES</b>	<b>15,199,151</b>		<b>15,199,151</b>	<b>17,703,323</b>	<b>2,504,172</b>



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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Grades 9-12 - Salaries of Teachers	\$ 4,001,136	\$ 4,295	\$ 4,005,431	\$ 4,004,884	\$ 547
Salaries of Teachers	12,000	(899)	11,101	11,101	
Other Purchased Services	3,400	1,024	4,424	3,024	1,400
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	56,160	(18,353)	37,807	37,339	468
Other Purchased Services (400-500 series)	80,949	2,520	83,469	77,272	6,197
General Supplies	195,619	4,436	200,055	124,920	75,135
Textbooks	22,250	3,468	25,718	25,205	513
Other Objects	1,752	87	1,839	701	1,138
<b>Total Regular Programs - Instruction</b>	<b>4,373,266</b>	<b>(3,422)</b>	<b>4,369,844</b>	<b>4,284,446</b>	<b>85,398</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	89,894	(18,386)	71,508	71,508	
General Supplies	8,739	(3,651)	5,088	4,159	929
Other Objects		56	56	56	
<b>Total Learning and/or Language Disabilities</b>	<b>98,633</b>	<b>(21,981)</b>	<b>76,652</b>	<b>75,723</b>	<b>929</b>
Behavioral Disabilities:					
Salaries of Teachers	88,099		88,099	88,099	
General Supplies	3,000	(156)	2,844	110	2,734
Other Objects		156	156	156	
<b>Total Behavioral Disabilities</b>	<b>91,099</b>		<b>91,099</b>	<b>88,365</b>	<b>2,734</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 490,745	\$ 47,397	\$ 538,142	\$ 538,142	\$ 900
Other Purchased Services (400-500 Series)	900		900		1,304
General Supplies	8,156	(6,463)	1,693	389	35
Textbooks	2,000	(919)	1,081	1,046	355
Other Objects	400		400	45	
Total Resource Room/Resource Center	<u>502,201</u>	<u>40,015</u>	<u>542,216</u>	<u>539,622</u>	<u>2,594</u>
Home Instruction:					
Purchased Professional/Educational Services	10,000	4,382	14,382	11,982	2,400
Total Home Instruction	<u>10,000</u>	<u>4,382</u>	<u>14,382</u>	<u>11,982</u>	<u>2,400</u>
Total Special Education Instruction	<u>701,933</u>	<u>22,416</u>	<u>724,349</u>	<u>715,692</u>	<u>8,657</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	50,088	(5,255)	44,833	39,565	5,268
General Supplies	450		450		450
Total Basic Skills/Remedial - Instruction	<u>50,538</u>	<u>(5,255)</u>	<u>45,283</u>	<u>39,565</u>	<u>5,718</u>
School-Sponsored Co-Curricular Activities - Instruction:					
Salaries	90,079	(24,598)	65,481	65,481	
Other Purchased Services (400-500 Series)	1,800		1,800	1,800	
Transfer to Cover Deficit	44,932		44,932	44,932	
Total School-Sponsored Co-Curricular Activities - Instruction	<u>136,811</u>	<u>(24,598)</u>	<u>112,213</u>	<u>112,213</u>	

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
School-Sponsored Co-Curricular Athletics - Instruction:					
Salaries	\$ 418,783	\$ (26,136)	\$ 392,647	\$ 392,647	
Other Purchased Services (400-500 Series)	85,050	(17,666)	67,384	66,342	\$ 1,042
Supplies and Materials	73,593	15,930	89,523	67,075	22,448
Other Objects	29,380	(9)	29,371	27,636	1,735
<b>Total School-Sponsored Co-Curricular Athletics - Instruction</b>	<b>606,806</b>	<b>(27,881)</b>	<b>578,925</b>	<b>553,700</b>	<b>25,225</b>
<b>Total Instruction</b>	<b>5,869,354</b>	<b>(38,740)</b>	<b>5,830,614</b>	<b>5,705,616</b>	<b>124,998</b>
<b>Undistributed Expenditures:</b>					
<b>Instruction:</b>					
Tuition to Other LEA's Within the State - Special	54,020	(6,292)	47,728	47,728	
Tuition to County Vocational School District - Regular	329,239	(58,250)	270,989	270,989	
Tuition to County Vocational School District - Special	69,037	(668)	68,369	68,369	
Tuition to Private Schools for the Disabled Within State	1,005,732	(1,311)	1,004,421	935,302	69,119
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,458,028</b>	<b>(66,521)</b>	<b>1,391,507</b>	<b>1,322,388</b>	<b>69,119</b>
<b>Health Services:</b>					
Salaries	88,229	(2,292)	85,937	85,787	150
Purchased Professional/Technical Services	16,500	(7,840)	8,660	1,851	6,809
Other Purchased Services (400-500 series)	200	(56)	144	144	
Supplies and Materials	2,850	3,282	6,132	4,807	1,325
Other Objects	200		200	200	
<b>Total Health Services</b>	<b>107,979</b>	<b>(6,906)</b>	<b>101,073</b>	<b>92,445</b>	<b>8,628</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	\$ 86,159	\$ 2,113	\$ 88,272	\$ 88,272	\$ 1,000
Other Objects	1,000		1,000		
<b>Total Speech, OT, PT and Related Services</b>	<u>87,159</u>	<u>2,113</u>	<u>89,272</u>	<u>88,272</u>	<u>1,000</u>
Other Support Services - Students - Extra Services:					
Salaries	147,630	(27,712)	119,918	119,918	
Purchased Professional - Educational Services	256,791	2,523	259,314	239,652	19,662
Supplies and Materials		774	774	774	
<b>Total Other Support Services - Students - Extra Services</b>	<u>404,421</u>	<u>(24,415)</u>	<u>380,006</u>	<u>360,344</u>	<u>19,662</u>
Guidance:					
Salaries of Other Professional Staff	313,042	6,653	319,695	319,695	
Salaries of Secretaries and Clerical Assistants	43,683	500	44,183	44,183	
Other Purchased Professional/Technical Services	6,000	(2,036)	3,964	3,964	
Other Purchased Services (400-500 series)	13,436	(967)	12,469	10,969	1,500
Supplies and Materials	8,400	(892)	7,508	7,493	15
Other Objects	1,000	547	1,547	1,547	
<b>Total Guidance</b>	<u>385,561</u>	<u>3,805</u>	<u>389,366</u>	<u>387,851</u>	<u>1,515</u>
Child Study Teams:					
Salaries of Other Professional Staff	302,050	(17,368)	284,682	283,166	1,516
Salaries of Secretarial and Clerical Assistants	41,741	(2,743)	38,998	38,998	
Other Purchased Professional/Technical Services	20,000	(20,000)			
Miscellaneous Purchased Services	9,025	(49)	8,976	7,909	1,067
Supplies and Materials	6,000	(3,762)	2,238	857	1,381
Other Objects	1,500		1,500	1,195	305
<b>Total Child Study Teams</b>	<u>380,316</u>	<u>(43,922)</u>	<u>336,394</u>	<u>332,125</u>	<u>4,269</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 145,293	\$ 36	\$ 145,329	\$ 145,329	
Salaries of Other Professional Staff	50,752	(36)	50,716	50,713	\$ 3
<b>Total Improvement of Instructional Services</b>	<b>196,045</b>		<b>196,045</b>	<b>196,042</b>	<b>3</b>
Educational Media Services/School Library:					
Salaries	147,466	(2,360)	145,106	145,106	
Purchased Professional/Technical Services	5,000	(2,404)	2,596	2,596	
Other Purchased Services (400-500 series)	40,781	(22,502)	18,279	18,279	
Supplies and Materials	8,300	19,355	27,655	8,609	19,046
Other Objects	150	(150)			
<b>Total Educational Media Services/School Library</b>	<b>201,697</b>	<b>(8,061)</b>	<b>193,636</b>	<b>174,590</b>	<b>19,046</b>
Instructional Staff Training Services:					
Purchased Professional/Educational Services	1,500	1,558	3,058	3,058	
Other Purchased Services (400-500 series)	8,500	(1,558)	6,942	38	6,904
<b>Total Instructional Staff Training Services</b>	<b>10,000</b>		<b>10,000</b>	<b>3,096</b>	<b>6,904</b>
Support Services - General Administration:					
Salaries	232,071	(19,968)	212,103	212,103	
Legal Services	20,000	(12,795)	7,205	7,205	
Audit Fees	30,000	16,547	46,547	46,547	
Architectural / Engineering Fee	12,000	51,600	63,600	63,600	
Other Purchased Professional Services	17,000	13,151	30,151	17,151	13,000
Purchased Technical Services	5,200	(2,000)	3,200	3,200	
Communications/Telephones	34,200	(16,343)	17,857	17,857	
BOE Other Purchased Services	4,000	(1,790)	2,210	2,210	
Other Purchased Services (400-500 series)	97,653	(3,324)	94,329	94,329	
General Supplies	8,320	5,473	13,793	12,842	951

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Support Services - General Administration (Cont'd):					
BOE In-House Training/Meeting	\$ 400	\$ (400)			
Miscellaneous Expenditures	10,000	(5,271)	\$ 4,729	\$ 4,729	
BOE Membership Dues and Fees	3,600	(1,171)	2,429	2,429	
<b>Total Support Services - General Administration</b>	<b>474,444</b>	<b>23,709</b>	<b>498,153</b>	<b>484,202</b>	<b>\$ 13,951</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	304,849	(39)	304,810	303,895	915
Salaries of Secretarial and Clerical Assistants	62,861	39	62,900	62,900	
Purchased Professional/Technical Services	600	6,297	6,897	6,897	6,897
Other Purchased Services (400-500 series)	8,728	(3,689)	5,039	1,765	3,274
Supplies and Materials	15,600	91	15,691	12,061	3,630
Other Objects	10,000	(2,699)	7,301	6,432	869
<b>Total Support Services - School Administration</b>	<b>402,638</b>		<b>402,638</b>	<b>387,053</b>	<b>15,585</b>
Central Services:					
Salaries	171,086	6,969	178,055	178,055	
Purchased Technical Services	9,270	205	9,475	9,475	
Other Purchased Services (400-500 series)	3,728	(849)	2,879	2,879	
Supplies and Materials	2,200	670	2,870	2,077	793
Miscellaneous Expenditures	1,400	(21)	1,379	1,240	139
<b>Total Central Services</b>	<b>187,684</b>	<b>6,974</b>	<b>194,658</b>	<b>193,726</b>	<b>932</b>
Required Maintenance of School Facilities:					
Salaries	96,810	(25,195)	71,615	71,615	
Cleaning, Repair and Maintenance Services	79,701	84,031	163,732	76,016	87,716
General Supplies	52,213	88,317	140,530	80,863	59,667
<b>Total Required Maintenance of School Facilities</b>	<b>228,724</b>	<b>147,153</b>	<b>375,877</b>	<b>228,494</b>	<b>147,383</b>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Custodial Services:					
Salaries	\$ 378,448	\$ (22,745)	\$ 355,703	\$ 355,703	
Purchased Professional/Technical Services	10,300	715	11,015	8,960	\$ 2,055
Cleaning, Repair and Maintenance Services	61,555	(21,189)	40,366	38,727	1,639
Other Purchased Property Services (400-500 series)	24,252	4,496	28,748	28,748	
Insurance	58,875	(5,358)	53,517	53,517	
Miscellaneous Purchased Services	2,800	(609)	2,191	2,114	77
General Supplies	44,519	32,277	76,796	73,334	3,462
Energy (Natural Gas)	185,229	(113,747)	71,482	71,482	
Energy (Electricity)	195,741	(127,341)	68,400	68,400	
Other Objects	3,187	(1,569)	1,618	1,618	
<b>Total Custodial Services</b>	<b>964,906</b>	<b>(255,070)</b>	<b>709,836</b>	<b>702,603</b>	<b>7,233</b>
Care and Upkeep of Grounds:					
Salaries	56,611	(6,048)	50,563	50,563	
Other Purchased Services (400-500 series)	10,690	30,736	41,426	6,624	34,802
General Supplies	10,791	7,058	17,849	17,849	
<b>Total Care and Upkeep of Grounds</b>	<b>78,092</b>	<b>31,746</b>	<b>109,838</b>	<b>75,036</b>	<b>34,802</b>
Security:					
Salaries	31,680	11,804	43,484	43,484	
Purchased Professional/Technical Services	4,000	1,830	5,830	4,867	963
Cleaning, Repair and Maintenance Services	1,800	10,325	12,125	12,125	
<b>Total Security</b>	<b>37,480</b>	<b>23,959</b>	<b>61,439</b>	<b>60,476</b>	<b>963</b>
Student Transportation Services:					
Management Fee - ESC & CTSA Transportation Program	35,000	4,154	39,154	39,154	
Contracted Services:					
Between Home and School - Vendors	570,990	(4,153)	566,837	536,668	30,169
Other than Between Home and School - Vendors	119,340	(22,738)	96,602	84,996	11,606
Special Education Students - Vendors	17,000	(494)	16,506	16,506	16,506

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 584,638	\$ (23,709)	\$ 560,929	\$ 549,212	\$ 11,717
Between Home and School - Joint Agreements	258,448		258,448	230,322	28,126
Aid In Lieu Payments - Choice Schools	5,000	2,000	7,000	4,163	2,837
Total Student Transportation Services	<u>1,590,416</u>	<u>(44,940)</u>	<u>1,545,476</u>	<u>1,444,515</u>	<u>100,961</u>
Unallocated Benefits:					
Social Security Contributions	163,000	(719)	162,281	162,281	
Other Retirement Contributions - PERS	120,000	(12,457)	107,543	107,543	
Other Retirement Contributions - Regular	8,800	(4,554)	4,246	3,700	546
Unemployment Compensation	26,000		26,000	23,972	2,028
Workmen's Compensation	68,535	5,465	74,000	74,000	
Health Benefits	1,199,663	(98,894)	1,100,769	1,100,686	83
Tuition Reimbursement	32,500	3,259	35,759	35,759	
Other Employee Benefits	593,405	(19,066)	574,339	531,687	42,652
Unused Sick Payment to Terminated/Retired Staff	54,960		54,960	9,780	45,180
Total Unallocated Benefits	<u>2,266,863</u>	<u>(126,966)</u>	<u>2,139,897</u>	<u>2,049,408</u>	<u>90,489</u>
On-Behalf Contributions:					
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,281,974	(1,281,974)
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				484,113	(484,113)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				22,978	(22,978)
TPAF Long Term Disability Insurance (On-Behalf - Non-Budgeted)				933	(933)
TPAF Social Security (Reimbursed - Non-Budgeted)				449,094	(449,094)
Total On-Behalf Contributions				<u>2,239,092</u>	<u>(2,239,092)</u>
Total Personal Services - Employee Benefits	<u>2,266,863</u>	<u>(126,966)</u>	<u>2,139,897</u>	<u>4,288,500</u>	<u>(2,148,603)</u>



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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Total Undistributed Expenses	\$ 9,462,453	\$ (337,342)	\$ 9,125,111	\$ 10,821,758	\$ (1,696,647)
<b>TOTAL CURRENT EXPENSE</b>	<u>15,331,807</u>	<u>(376,082)</u>	<u>14,955,725</u>	<u>16,527,374</u>	<u>(1,571,649)</u>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 9-12	6,319		6,319	4,119	2,200
School - Sponsored and Other Instructional Program	13,500	56,004	69,504	5,500	64,004
Undistributed Expenditures - Required Maintenance - School Facilities	33,832	195,504	229,336	119,789	109,547
Undistributed Expenditures - Support Services - Instructional Staff	10,123	21,234	21,234	25,226	21,234
Care and Upkeep of Grounds		52,286	62,409	34,960	37,183
Security		34,960	34,960	34,960	
Total Equipment	<u>63,774</u>	<u>359,988</u>	<u>423,762</u>	<u>189,594</u>	<u>234,168</u>
Facilities Acquisition and Construction Services:					
Construction Services		13,000	13,000		13,000
Assessment for Debt Service on SDA Funding	38,646		38,646	38,646	
Total Facilities Acquisition and Construction Services	<u>38,646</u>	<u>13,000</u>	<u>51,646</u>	<u>38,646</u>	<u>13,000</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>102,420</u>	<u>372,988</u>	<u>475,408</u>	<u>228,240</u>	<u>247,168</u>

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

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>TOTAL EXPENDITURES</b>	\$ 15,434,227	\$ (3,094)	\$ 15,431,133	\$ 16,755,614	\$ (1,324,481)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(235,076)	3,094	(231,982)	947,709	1,179,691
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)		(3,094)	(3,094)	(3,094)	
Total Other Financing Sources/(Uses)		(3,094)	(3,094)	(3,094)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(235,076)		(235,076)	944,615	1,179,691
Fund Balance, July 1	1,487,405		1,487,405	1,487,405	
Fund Balance, June 30	\$ 1,252,329	\$ -0-	\$ 1,252,329	\$ 2,432,020	\$ 1,179,691

Recapitulation:

Restricted for:

Capital Reserve

Excess Surplus - 2020-2021

Assigned to:

Year-end Encumbrances

For Subsequent Year's Expenditures

Unassigned

\$	1,415,533
	118,581
	567,023
	29,964
	300,919
	<u>2,432,020</u>
	<u>(425,355)</u>
\$	<u><u>2,006,665</u></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, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 5,000	\$ 3,300	\$ 8,300	\$ 8,300	
Federal Sources	197,371	49,531	246,902	226,001	\$ (20,901)
<b>Total Revenues</b>	<b>202,371</b>	<b>52,831</b>	<b>255,202</b>	<b>234,301</b>	<b>(20,901)</b>
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	59,534		59,534	59,534	
Other Professional and Technical Services	173		173	41	132
Purchased Professional Educational Services		7,300	7,300	7,300	
Tuition	108,808	21,822	130,630	130,630	
General Supplies	13,832	2,029	15,861	15,808	53
<b>Total Instruction</b>	<b>182,347</b>	<b>31,151</b>	<b>213,498</b>	<b>213,313</b>	<b>185</b>
Support Services					
Personal Service - Employee Benefits	14,875	26,680	41,555	20,839	20,716
Other Purchased Services	149		149	149	
Supplies and Materials	5,000	(5,000)			
<b>Total Support Services</b>	<b>20,024</b>	<b>21,680</b>	<b>41,704</b>	<b>20,988</b>	<b>20,716</b>
<b>Total Expenditures</b>	<b>202,371</b>	<b>52,831</b>	<b>255,202</b>	<b>234,301</b>	<b>20,901</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

WALKKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 17,703,323	\$ 234,301
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.		(7,300)
Prior Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	441,827	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(425,355)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 17,719,795</u>	 <u>\$ 227,001</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 16,755,614	\$ 234,301
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.		<u>(7,300)</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 16,755,614</u>	 <u>\$ 227,001</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2020 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 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, 2020

	Elementary and Secondary Education Act		IDEA Part - B Basic	Perkins Vocational Education	Various Local Grants	Total
	Title I	Title IIA				
<b>REVENUE:</b>						
Local Sources	\$ 69,119	\$ 11,254	\$ 9,947	\$ 130,630	\$ 8,300	\$ 8,300
Federal Sources						226,001
<b>Total Revenue</b>	<b>69,119</b>	<b>11,254</b>	<b>9,947</b>	<b>130,630</b>	<b>8,300</b>	<b>234,301</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	51,199	8,335				59,534
Other Purchased Professional and Technical Services				41		41
Purchased Professional Educational Services					7,300	7,300
Tuition			9,947			130,630
General Supplies				4,861	1,000	15,808
<b>Total Instruction</b>	<b>51,199</b>	<b>8,335</b>	<b>9,947</b>	<b>4,902</b>	<b>8,300</b>	<b>213,313</b>
Support Services:						
Personal Service - Employee Benefits	17,920	2,919				20,839
Other Purchased Services				149		149
<b>Total Support Services</b>	<b>17,920</b>	<b>2,919</b>		<b>149</b>		<b>20,988</b>
<b>Total Expenditures</b>	<b>69,119</b>	<b>11,254</b>	<b>9,947</b>	<b>5,051</b>	<b>8,300</b>	<b>234,301</b>

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, 2020

Revenue and Other Financing Sources:	
Interest Income	<u>\$ 5,448</u>
Total Revenue and Other Financing Sources	<u>5,448</u>
Other Financing Uses:	
Transfer to Debt Service Fund:	
Interest Earned	5,448
Close out of Projects	<u>50,000</u>
Total Other Financing Uses	<u>55,448</u>
Fund Balance - Beginning of Year	<u>430,351</u>
Fund Balance - End of Year	<u><u>\$ 380,351</u></u>
Reconciliation of Fund Balance:	
Fund Balance - Budgetary Basis	<u>\$ 380,351</u>
Fund Balance - GAAP Basis	<u><u>\$ 380,351</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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 2,896,567		\$ 2,896,567	\$ 2,896,567
Bond Proceeds and Transfers	4,753,000		4,753,000	4,753,000
Miscellaneous	3		3	3
Total Revenue and Other Financing Sources	7,649,570		7,649,570	7,649,570
Expenditures and Other Financing Uses:				
Expenditures:				
Purchased Professional and Technical Services	789,362		789,362	789,362
Construction Services	4,521,740		4,521,740	4,521,740
Miscellaneous Costs	103,857		103,857	103,857
Other Financing Uses:				
Transfer to Debt Service Fund	2,152,852	\$ 50,000	2,202,852	2,202,852
Total Expenditures and Other Financing Uses	7,567,811	50,000	7,617,811	7,617,811
Excess/(Deficit) of Revenue and Other Financing Sources				
Over/(Under) Expenditures and Other Financing Uses	\$ 81,759	\$ (50,000)	\$ 31,759	\$ 31,759

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 \$ 5,414,959  
 Transfer to Debt Service Fund \$ 2,202,852  
 Revised Authorized Cost \$ 7,617,811

Percentage Increase over Original

Authorized Cost 0%  
 Percentage Completion 100.00%  
 Original Target Completion Date 9/1/2004  
 Revised Target Completion Date 5/1/2005

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
SOLAR PHOTOVOLTAIC PROJECT- BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	379,861
Construction Services	2,440,418	2,440,418	2,440,418
Miscellaneous Costs	131,129	131,129	131,129
Total Expenditures and Other Financing Uses	2,951,408	2,951,408	2,951,408
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	\$ 2,951,408
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, 2020

ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 1,467
Accounts Receivable:	
State	6
Federal	376
Interfund Receivable	3,238
Inventories	10,923
	<hr/>

Total Current Assets	<hr/> 16,010 <hr/>
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## Non-Current Assets:

Capital Assets	96,205
Less: Accumulated Depreciation	(75,672)
	<hr/>

Total Non-Current Assets	<hr/> 20,533 <hr/>
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Total Assets	<hr/> 36,543 <hr/>
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LIABILITIES:

## Current Liabilities:

Accounts Payable - Vendors	6,097
Unearned Revenue - Prepaid Sales	1,294
Unearned Revenue - Donated Commodities	1,726
	<hr/>

Total Current Liabilities	<hr/> 9,117 <hr/>
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NET POSITION:

Investment in Capital Assets	20,533
Unrestricted	6,893
	<hr/>

Total Net Position	<hr/> \$ 27,426 <hr/> <hr/>
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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, 2020

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 54,104
Daily Sales - Non Reimbursable Programs	43,998
	<hr/>
Total Operating Revenue	98,102
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	49,260
Cost of Sales - Non Reimbursable Programs	35,847
Salaries & Payroll Taxes	59,209
Employee Benefits	6,782
Management Fee	9,214
Professional and Technical Services	308
Depreciation Expense	2,034
Other Miscellaneous Expenses	5,599
	<hr/>
Total Operating Expenses	168,253
	<hr/>
Operating (Loss)	(70,151)
Non-Operating Revenue:	
State Sources:	
COVID 19 - Seamless Summer Option	9
State School Lunch Program	1,319
Federal Sources:	
COVID 19 - Seamless Summer Option	545
National School Lunch Program	34,927
Food Distribution Program	14,614
Local Sources:	
Interest Income	239
	<hr/>
Total Non-Operating Revenue	51,653
	<hr/>
Change in Net Position Before Transfer	(18,498)
General Fund Transfer to Cover Deficit	3,094
	<hr/>
Change in Net Position After Transfer	(15,404)
Net Position - Beginning of Year	42,830
	<hr/>
Net Position - End of Year	\$ 27,426
	<hr/> <hr/>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 98,102
Payments to Employees	(59,209)
Payments for Benefits	(6,782)
Payments to Food Service Vendor	(9,214)
Payments to Suppliers	<u>(72,206)</u>
Net Cash (Used for) Operating Activities	<u>(49,309)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Operating Transfers	3,094
Cash Received from Federal and State Sources	<u>38,371</u>
Net Cash Provided by Noncapital Financing Activities	<u>41,465</u>
Cash Flows from Investing Activities:	
Investment Income	<u>239</u>
Net Cash Flows Provided by Investing Activities:	<u>239</u>
Net (Decrease) in Cash and Cash Equivalents	(7,605)
Cash and Cash Equivalents, July 1	<u>9,072</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 1,467</u></u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating (Loss)	\$ (70,151)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Federal Food Distribution Program	14,614
Depreciation	2,034
Changes in Assets and Liabilities:	
Decrease in Interfund Receivable	9,375
(Increase) in Inventory	(4,239)
(Decrease) in Accounts Payable	(3,075)
Increase in Unearned Revenue - Prepaid Sales	1,897
Increase in Unearned Revenue - Donated Commodities	<u>236</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (49,309)</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 \$14,850 and utilized commodities valued at \$14,614.

FIDUCIARY FUNDS



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	<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	\$ 66,520	\$ 199,093	\$ 75,621	\$ 7,951	\$ 349,185
Total Assets	<u>66,520</u>	<u>199,093</u>	<u>75,621</u>	<u>7,951</u>	<u>349,185</u>
<u>LIABILITIES:</u>					
Net Salaries and Wages	2,033				2,033
Payroll Deductions and Withholdings	64,487				64,487
Due to Student Groups		199,093			199,093
Total Liabilities	<u>66,520</u>	<u>199,093</u>			<u>265,613</u>
<u>NET POSITION:</u>					
Held in Trust for Unemployment Claims				7,951	7,951
Restricted For Scholarships			75,621		75,621
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 75,621</u>	<u>\$ 7,951</u>	<u>\$ 83,572</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
<b>ADDITIONS:</b>			
Contributions:			
Donations	<u>                    </u>	\$ 3,850	\$ 3,850
Total Contributions	<u>                    </u>	<u>3,850</u>	<u>3,850</u>
Investment Earnings:			
Interest	\$ 99	440	539
Net Investment Earnings	<u>99</u>	<u>440</u>	<u>539</u>
Total Additions	<u>99</u>	<u>4,290</u>	<u>4,389</u>
<b>DEDUCTIONS:</b>			
Scholarships Awarded	<u>                    </u>	3,216	3,216
Total Deductions	<u>                    </u>	<u>3,216</u>	<u>3,216</u>
Change in Net Position	99	1,074	1,173
Net Position - Beginning of the Year	<u>7,852</u>	<u>74,547</u>	<u>82,399</u>
Net Position - End of the Year	<u>\$ 7,951</u>	<u>\$ 75,621</u>	<u>\$ 83,572</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 159,313	\$ 281,024	\$ 241,244	\$ 199,093
Total Assets	<u>\$ 159,313</u>	<u>\$ 281,024</u>	<u>\$ 241,244</u>	<u>\$ 199,093</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 159,313	\$ 281,024	\$ 241,244	\$ 199,093
Total Liabilities	<u>\$ 159,313</u>	<u>\$ 281,024</u>	<u>\$ 241,244</u>	<u>\$ 199,093</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>June 30, 2019</u>	<u>Cash</u> <u>Additions</u>	<u>Cash</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
High School:				
Athletic Account	\$ 3,220	\$ 46,265	\$ 33,348	\$ 16,137
Activity Account	<u>156,093</u>	<u>234,759</u>	<u>207,896</u>	<u>182,956</u>
Total	<u>\$ 159,313</u>	<u>\$ 281,024</u>	<u>\$ 241,244</u>	<u>\$ 199,093</u>

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 56,196	\$ 9,395,848	\$ 9,385,524	\$ 66,520
Interfund Receivable - General Fund	7,019		7,019	
Total Assets	<u>\$ 63,215</u>	<u>\$ 9,395,848</u>	<u>\$ 9,392,543</u>	<u>\$ 66,520</u>
<u>LIABILITIES:</u>				
Net Salaries and Wages	\$ 8,014	\$ 5,103,020	\$ 5,109,001	\$ 2,033
Payroll Deductions and Withholdings	55,201	4,292,828	4,283,542	64,487
Total Liabilities	<u>\$ 63,215</u>	<u>\$ 9,395,848</u>	<u>\$ 9,392,543</u>	<u>\$ 66,520</u>

LONG-TERM DEBT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance June 30, 2019	Matured	Balance June 30, 2020
			Date	Amount				
Refunding Issue - 2008	1/22/2008	\$ 3,075,000	7/15/2020	\$ 230,000	4.25%	\$ 720,000	\$ 235,000	\$ 485,000
			7/15/2021	255,000	4.25%			
Solar Panel Purchase and Installation	11/29/2011	3,300,000	9/1/2020	110,000	3.00%	1,740,000	105,000	1,635,000
			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>\$ 2,460,000</u>	<u>\$ 340,000</u>	<u>\$ 2,120,000</u>

WALLKILL VALLEY REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 422,762		\$ 422,762	\$ 422,762	
Total Revenue	422,762		422,762	422,762	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	83,194		83,194	83,194	
Redemption of Principal	340,000		340,000	340,000	
Total Regular Debt Service	423,194		423,194	423,194	
Total Expenditures	423,194		423,194	423,194	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(432)		(432)	(432)	
<b>Other Financing Sources:</b>					
Transfer In - Capital Projects Fund Interest				5,448	\$ 5,448
Transfer In - Capital Projects Close Out				50,000	50,000
Total Other Financing Sources				55,448	55,448
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(432)		(432)	55,016	55,448
Fund Balance, July 1	1,330		1,330	1,330	
Fund Balance, June 30	\$ 898	\$ -0-	\$ 898	\$ 56,346	\$ 55,448
		Restricted Fund Balance		\$ 56,346	



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

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

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> 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
<b>Operating Information</b> These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 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	\$ 8,269,661
Restricted	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	1,970,811
Unrestricted/(Deficit)	(785,420)	(704,031)	(283,069)	(2,459,233)	(2,605,674)	(2,746,418)	(2,773,437)	(2,349,656)	(2,895,863)	(2,575,371)
<b>Total Governmental Activities Net Position</b>	<b>\$ 7,979,108</b>	<b>\$ 7,192,060</b>	<b>\$ 7,514,383</b>	<b>\$ 6,016,556</b>	<b>\$ 6,334,066</b>	<b>\$ 6,331,905</b>	<b>\$ 6,344,752</b>	<b>\$ 6,389,361</b>	<b>\$ 6,606,258</b>	<b>\$ 7,665,101</b>
<b>Business-Type Activities</b>										
Investment in Capital Assets	\$ 16,399	\$ 14,875	\$ 13,351	\$ 45,315	\$ 43,639	\$ 41,963	\$ 40,287	\$ 38,611	\$ 22,567	\$ 20,533
Unrestricted	110,633	54,002	30,215	25,877	24,454	33,503	34,099	26,326	20,263	6,893
<b>Total Business-Type Activities Net Position</b>	<b>\$ 127,032</b>	<b>\$ 68,877</b>	<b>\$ 43,566</b>	<b>\$ 71,192</b>	<b>\$ 68,093</b>	<b>\$ 75,466</b>	<b>\$ 74,386</b>	<b>\$ 64,937</b>	<b>\$ 42,830</b>	<b>\$ 27,426</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 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	\$ 8,290,194
Restricted	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	1,970,811
Unrestricted/(Deficit)	(674,787)	(650,029)	(252,854)	(2,433,356)	(2,581,220)	(2,712,915)	(2,739,338)	(2,323,330)	(2,875,600)	(2,568,478)
<b>Total District Net Position</b>	<b>\$ 8,106,140</b>	<b>\$ 7,260,937</b>	<b>\$ 7,557,949</b>	<b>\$ 6,087,748</b>	<b>\$ 6,402,159</b>	<b>\$ 6,407,371</b>	<b>\$ 6,419,138</b>	<b>\$ 6,454,298</b>	<b>\$ 6,649,088</b>	<b>\$ 7,692,527</b>

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 7,284,050
Special Education	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	1,201,160
Other Special Education	58,903	63,436	70,092	73,273	27,148	28,435	48,573	49,710	65,623	66,855
Other Instruction	691,589	667,686	655,462	659,399	1,003,856	1,033,912	858,937	899,367	871,773	761,992
Support Services:										
Tuition	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	1,453,018
Student & Instruction Related Services	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	2,525,123
General Administrative Services	469,436	503,179	526,928	571,157	497,207	574,694	702,782	709,709	657,502	716,971
School Administrative Services	570,563	603,080	625,314	799,745	571,197	618,594	826,855	764,936	654,608	634,481
Central Services	199,545	203,126	218,443	220,124	233,290	228,352	253,725	271,545	239,316	231,069
Plant Operations And Maintenance	1,429,113	1,354,625	1,407,388	1,597,808	1,383,380	1,413,858	1,445,466	1,383,232	1,314,313	1,314,313
Pupil Transportation	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	1,444,515
Interest On Long-Term Debt	106,555	144,926	253,334	159,970	178,375	125,406	109,555	95,946	83,146	70,865
Unallocated	6,368	5,923	35,706	37,836	37,836	37,836	37,836	46,011	46,011	46,192
Capital Outlay	31,403	18,262	25,063	25,063	38,645	40,508	38,646	551,391	38,646	68,137
Transfer of Funds to Charter School						28,554				
Total Governmental Activities Expenses	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	17,818,741
Business-type activities:										
Food Service	281,057	310,939	245,028	180,029	206,542	222,322	210,751	223,857	228,510	168,253
Total Business-Type Activities Expense	281,057	310,939	245,028	180,029	206,542	222,322	210,751	223,857	228,510	168,253
Total District Expenses	\$ 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	\$ 17,986,994
Program Revenues										
Governmental Activities:										
Charges For Services	\$ 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	\$ 7,477,202
Operating Grants and Contributions	581,247	605,094	608,154	617,091	7,893,682	8,579,228	9,580,111	9,716,952	8,546,259	7,477,202
Total Governmental Activities Program Revenues	\$ 6,393,722	\$ 6,656,037	\$ 6,689,699	\$ 6,796,182	\$ 15,787,364	\$ 17,158,456	\$ 19,160,222	\$ 19,433,904	\$ 17,092,518	\$ 14,954,404
Business-Type Activities:										
Charges for services										
Food Service	215,936	187,788	153,605	138,799	138,574	166,820	152,064	151,632	152,516	98,102
Operating Grants and Contributions	59,066	64,357	65,960	68,829	64,848	62,852	57,577	62,746	66,012	51,414
Total Business-Type Activities Program Revenues	275,002	252,145	219,565	207,628	203,422	229,672	209,641	214,378	218,528	149,516
Total District Program Revenues	\$ 6,087,477	\$ 6,303,088	\$ 6,301,110	\$ 6,386,719	\$ 8,097,104	\$ 8,808,900	\$ 9,189,752	\$ 9,931,330	\$ 8,764,787	\$ 7,626,718
Net (Expense)/Revenue	\$ (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)	\$ (10,341,539)
Governmental Activities	(6,055)	(58,794)	(25,463)	27,599	(3,120)	7,350	(1,110)	(9,479)	(9,982)	(18,737)
Business-Type Activities	\$ (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)	\$ (10,360,276)
Total District-Wide Net Expense										

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

UNAUDITED  
(Continued)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 10,700,375
Taxes Levied for Debt Service			399,094	477,288	465,218	330,328	376,028	442,443	434,818	422,762
Investment Earnings	4	3,582	1,314	1,590	2,321	2,458	433	1,998	3,238	24,510
Miscellaneous Income	123,145	83,216	64,840	215,472	112,708	37,590	91,174	178,856	242,898	250,381
Interest Earned in Capital Reserve							480	407	897	5,448
Transfers										(3,094)
<b>Total Governmental Activities</b>	<b>8,703,056</b>	<b>8,852,440</b>	<b>9,431,330</b>	<b>9,839,754</b>	<b>9,908,559</b>	<b>9,885,254</b>	<b>10,173,291</b>	<b>10,908,571</b>	<b>11,172,416</b>	<b>11,400,382</b>
<b>Business-Type Activities:</b>										
Miscellaneous Income	950	638	152	27	21	23	30	30	52	239
Interest on Investments									(12,177)	3,094
Other Item - Capital Asset Adjustment										3,333
Transfers										
<b>Total Business-Type Activities</b>	<b>950</b>	<b>638</b>	<b>152</b>	<b>27</b>	<b>21</b>	<b>23</b>	<b>30</b>	<b>30</b>	<b>(12,125)</b>	<b>3,094</b>
<b>Total District-Wide</b>	<b>\$ 8,704,006</b>	<b>\$ 8,853,078</b>	<b>\$ 9,431,482</b>	<b>\$ 9,839,781</b>	<b>\$ 9,908,580</b>	<b>\$ 9,885,277</b>	<b>\$ 10,173,321</b>	<b>\$ 10,908,601</b>	<b>\$ 11,160,291</b>	<b>\$ 11,403,715</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (471,754)	\$ (787,048)	\$ 322,323	\$ 554,766	\$ 317,510	\$ (2,161)	\$ (92,570)	\$ 44,609	\$ 216,897	\$ 1,058,843
Business-Type Activities	(5,105)	(58,156)	(25,311)	27,626	(3,099)	7,373	(1,080)	(9,449)	(22,107)	(15,404)
<b>Total District</b>	<b>\$ (476,859)</b>	<b>\$ (845,204)</b>	<b>\$ 297,012</b>	<b>\$ 582,392</b>	<b>\$ 314,411</b>	<b>\$ 5,212</b>	<b>\$ (93,650)</b>	<b>\$ 35,160</b>	<b>\$ 194,790</b>	<b>\$ 1,043,439</b>

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

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 751,708	\$ 393,268	\$ 346,069	\$ 714,256	\$ 880,633	\$ 945,264	\$ 833,026	\$ 271,015	\$ 882,821	\$ 1,534,114
Assigned	277,342	150,167	536,468	422,550	251,347	173,831	118,931	790,704	162,757	472,551
Total General Fund	\$ 1,029,050	\$ 543,435	\$ 882,537	\$ 1,136,806	\$ 1,131,980	\$ 1,119,095	\$ 951,957	\$ 1,061,719	\$ 1,045,578	\$ 2,006,665
All Other Governmental Funds										
Unreserved, Reported In:										
Restricted	\$ 1,438,160	\$ 1,632,960	\$ 431,351	\$ 550,417	\$ 619,839	\$ 501,206	\$ 431,217	\$ 431,216	\$ 431,681	\$ 436,697
Total All Other Governmental Funds	\$ 1,438,160	\$ 1,632,960	\$ 431,351	\$ 550,417	\$ 619,839	\$ 501,206	\$ 431,217	\$ 431,216	\$ 431,681	\$ 436,697

Source: School District Financial Reports

**WALKILL 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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 4,400	\$ 8,765,642	\$ 9,365,176	\$ 9,622,692	\$ 9,793,530	\$ 9,845,206	\$ 10,081,204	\$ 10,727,310	\$ 10,925,383	\$ 11,123,137
Tuition Changes		3,600	4,600	448		2,458	2,054	2,405	4,135	29,958
Interest Earnings	6,728	3,582	1,314	1,590	1,890	37,590	90,033	178,856	249,198	250,381
Unrestricted Miscellaneous Revenue	112,021	79,616	64,840	96,839	43,178	6,294,009	6,413,744	6,804,646	6,907,919	6,743,411
State Sources	5,471,948	5,769,699	5,839,127	5,954,105	6,098,967	230,294	260,818	238,381	233,705	228,119
Federal Sources	340,527	281,244	237,818	224,986	244,795	16,409,557	16,847,853	17,951,598	18,320,340	18,375,006
<b>Total Revenue</b>	<b>14,515,531</b>	<b>14,903,383</b>	<b>15,512,875</b>	<b>15,900,660</b>	<b>16,182,360</b>	<b>16,409,557</b>	<b>16,847,853</b>	<b>17,951,598</b>	<b>18,320,340</b>	<b>18,375,006</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	4,380,817
Special Education Instruction	633,705	711,225	744,760	747,450	771,866	786,473	823,016	811,930	818,867	715,692
Other Special Instruction	52,613	55,677	59,102	20,459	27,148	28,435	26,981	25,249	36,672	39,565
School Sponsored/Other Instruction	549,371	580,360	544,456	601,062	682,121	630,369	661,550	658,247	706,325	665,913
<b>Support Services:</b>										
Tuition	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	1,453,018
Student & Instruction Related Services	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	1,634,765
General Administrative Services	363,824	380,915	395,350	392,242	411,856	447,506	437,578	424,669	476,915	484,202
School Administrative Services	409,795	420,950	412,972	569,006	438,168	464,933	423,815	404,260	380,280	387,053
Central Services	153,293	150,396	157,130	170,271	186,029	177,300	180,715	180,486	181,670	193,726
Plant Operations And Maintenance	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	1,066,609
Pupil Transportation	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	1,444,515
Unallocated Benefits	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	4,288,500
Capital Outlay	57,040	2,971,641	271,920	247,624	298,275	269,570	405,278	677,561	276,613	228,240
Transfer of Funds to Charter Schools					28,554					
<b>Debt Service:</b>										
Principal	240,000	235,000	1,235,000	320,000	320,000	315,000	325,000	335,000	340,000	340,000
Interest And Other Charges	115,738	106,838	200,563	157,288	146,188	134,394	121,450	107,875	95,250	83,194
<b>Total Expenditures</b>	<b>14,908,670</b>	<b>18,494,198</b>	<b>16,375,382</b>	<b>15,645,958</b>	<b>16,187,725</b>	<b>16,541,075</b>	<b>17,084,980</b>	<b>17,841,837</b>	<b>18,336,016</b>	<b>17,405,809</b>
<b>Excess (Deficiency) Of Revenues</b>	<b>(393,139)</b>	<b>(3,590,815)</b>	<b>(862,507)</b>	<b>254,702</b>	<b>(5,365)</b>	<b>(131,518)</b>	<b>(237,127)</b>	<b>109,761</b>	<b>(15,676)</b>	<b>969,197</b>
Over (Under) Expenditures										
Other Financing Sources (Uses)										
Serial Bonds Issued	3,300,000									
Transfers In	357,769	321,265	1,021,542	433	431	433	433	431	897	55,448
Transfers Out	(357,769)	(321,265)	(1,021,542)	(433)	(431)	(433)	(433)	(431)	(897)	(58,542)
Cancellation of State Receivable					(30)					
Sale of Solar Renewable Energy Certificates				118,633	69,991					
<b>Total Other Financing Sources (Uses)</b>	<b>3,300,000</b>	<b>3,300,000</b>	<b>3,300,000</b>	<b>118,633</b>	<b>69,991</b>	<b>69,991</b>	<b>69,991</b>	<b>69,991</b>	<b>69,991</b>	<b>(3,094)</b>
<b>Net Change In Fund Balances</b>	<b>\$(393,139)</b>	<b>\$(290,815)</b>	<b>\$(862,507)</b>	<b>\$ 254,702</b>	<b>\$ 64,596</b>	<b>\$(131,518)</b>	<b>\$(237,127)</b>	<b>\$ 109,761</b>	<b>\$(15,676)</b>	<b>\$ 966,103</b>
Debt Service As A Percentage Of Non-capital Expenditures	2.4%	2.8%	8.9%	3.1%	2.9%	2.8%	2.7%	2.6%	2.4%	2.5%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Solar</u> <u>Renewable</u> <u>Energy Credit</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2020	24,510		104,729	144,652	273,891

Source: Wallkill Valley Regional High School District records

WALL KILL 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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<u>Franklin Borough</u>													
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	57,385,300	1,774,920	397,568,420	0.61	411,468,592
2019	12,628,900	248,081,900	4,000,100	189,700	110,923,500	9,428,000	10,587,700	395,839,800	54,890,400	2,007,431	397,847,231	0.62	406,210,837
<u>Hamburg Borough</u>													
2010	\$ 5,734,750	\$ 180,536,500	\$ 169,000	\$ 4,500	\$ 18,712,800	\$ 2,745,700	\$ 331,500	\$ 208,234,750	\$ 4,750,400	\$ 307,672	\$ 208,542,422	\$ 0.70	\$ 356,252,093
2011	5,684,750	180,074,500	169,000	4,500	17,088,400	3,921,700	331,500	207,274,350	4,877,700	351,612	207,625,962	0.69	309,059,187
2012	4,698,150	179,344,400			17,815,200	3,921,700	747,800	206,527,250	4,906,300	402,529	206,929,779	0.72	309,323,203
2013	4,628,150	177,780,200			18,256,200	3,921,700	747,800	205,334,050	4,838,600	406,308	205,740,358	0.75	289,385,794
2014	6,038,600	204,017,600			27,961,200	4,988,600	690,600	243,696,600	19,855,400	550,675	244,247,275	0.59	260,636,321
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
2019	5,427,700	207,891,100			27,179,300	4,988,600	690,600	246,177,300	20,514,200	414,887	246,592,187	0.64	271,409,774
<u>Hardyston Township</u>													
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
2019	32,139,300	864,702,100	13,554,400	1,111,300	100,868,200	39,931,200	17,000,000	1,069,306,500	127,942,500	1,827,267	1,071,133,767	0.58	1,111,779,692



WALK KILL 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 <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2010	\$ 4,471,000	\$ 215,264,100	\$ 317,600	\$ 15,900	\$ 15,285,900	\$ 3,462,500	\$ 2,788,100	\$ 241,605,100	\$ 21,334,400	\$ 376,515	\$ 241,981,615	\$ 0.32	\$ 246,933,065
2011	3,232,200	215,743,200	317,600	15,900	15,747,300	3,137,000	2,788,100	240,981,300	22,516,400	414,607	241,981,615	0.33	230,780,026
2012	3,430,500	215,323,000	317,600	15,900	15,549,000	3,137,000	2,788,100	240,561,100	22,775,300	436,209	240,997,309	0.37	233,041,034
2013	3,392,900	214,338,300	317,600	15,900	15,549,000	3,024,300	2,710,800	239,348,800	22,424,100	416,585	239,765,385	0.39	216,669,834
2014	* 2,858,300	178,456,800	279,200	13,500	11,442,000	2,672,200	1,648,200	197,370,200	20,907,700	405,852	197,776,052	0.55	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
2019	1,678,100	178,038,900	279,200	14,300	12,022,600	1,912,300	1,905,900	195,851,300	21,767,900	359,978	196,211,278	0.67	198,719,119

\* Revaluation Year

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b. Tax rates are per \$100

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

		Walkkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
Year Ended December 31,	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Franklin	Local School District	Sussex County		
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
2019		0.594	0.023	0.617	1.177	1.412	0.588	3.794

		Walkkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
Year Ended December 31,	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Hamburg	Local School District	Sussex County		
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
2019		0.619	0.024	0.643	0.969	1.904	0.638	4.154

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(rate per \$100 of assessed value)

(Continued)

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation	Total	Township of	Local	Sussex	
		Debt Service <sup>b</sup>	Direct	Hardyston	School District	County	
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
2019	0.556	0.021	0.576	0.687	0.966	0.601	2.830

Year Ended December 31,	Wallkill Valley Regional High School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation	Total	Borough of	Local	Sussex	
		Debt Service <sup>b</sup>	Direct	Ogdensburg	School District	County	
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
2019	0.650	0.025	0.674	1.153	1.233	0.588	3.648

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.

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

Franklin Borough

Taxpayer	2019		% of Total District Net Assessed Value
	Taxable Assessed Value		
Wal-Mart	\$ 11,988,700		3.01%
Franklin 23	9,000,000		2.26%
Weis Markets, Inc.	6,965,000		1.75%
Wurtsboro Associates	5,782,900		1.45%
Walgreens	5,442,100		1.37%
Transbanc International	5,134,500		1.29%
Braen Aggregates, LLC	5,133,700		1.29%
Hillside Estates at Franklin, LLC	4,400,000		1.11%
Tams Franklin LLC	3,228,800		0.81%
Concetta Towers LLC	2,882,800		0.72%
Total	\$ 59,958,500		15.07%

Hamburg Borough

Taxpayer	2019		% of Total District Net Assessed Value
	Taxable Assessed Value		
Ames Rubber Corp	\$ 3,054,600		1.24%
Governor Haines Realty, LLC	2,019,600		0.82%
Envision New Jersey, LLC	1,934,000		0.78%
Springdale Village, LLC	1,869,700		0.76%
Plaza 23, LLC	1,317,900		0.53%
TRB Investments, LLC	1,174,000		0.48%
Individual Taxpayer #1	1,100,000		0.45%
TCAT Properties Hamburg, LLC	1,000,200		0.41%
Wachovia Bank	978,400		0.40%
KP Kit & Jay, LLC	913,800		0.37%
Total	\$ 15,362,200		6.23%

2010

Taxpayer	2010		% of Total District Net Assessed Value
	Taxable Assessed Value		
Wal-Mart	\$ 14,210,200		2.90%
Franklin 23	10,621,200		2.17%
Weis Market, Inc.	9,128,000		1.86%
Transbank International Investors	9,057,700		1.85%
MD3, LLC	5,056,600		1.03%
Sterling Plaza, Inc.	4,875,700		1.00%
Hillside Estates of Franklin	4,839,000		0.99%
Wurtsboro Associates	4,784,500		0.98%
Braen Aggregates, LLC	4,623,600		0.94%
Kaj Franklin, LLC	3,496,700		0.71%
Total	\$ 70,693,200		14.43%

2010

Taxpayer	2010		% 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 TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO

UNAUDITED  
(Continued)

Hardyston Township

Ogdensburg Borough

	2019		Taxpayer	2019	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Grand Cascades Lodge at Crystal Springs	\$ 9,585,000	0.89%	Ogdensburg Associates	\$ 1,598,500	0.81%
Edgewater Assoc, LLC	8,500,000	0.79%	Grater, LLC	1,550,000	0.79%
WT SPE, LLC	7,028,900	0.66%	Sterling Hill Mining Museum, Inc	1,127,000	0.57%
Ballyowen SPE, LLC	6,855,300	0.64%	Pokorny Properties, LLC	1,025,000	0.52%
Edgewater Assoc, LLC	6,800,000	0.63%	OORCH, 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	0.26%
Beaver Lake Realty	3,626,200	0.34%	Sterling Hill Mining Museum, Inc	501,000	0.26%
Eastern Concrete Materials, LLC	3,599,400	0.34%	Individual Taxpayer #3	486,100	0.25%
Sussex Land, LLC	3,500,000	0.33%	Individual Taxpayer #4	456,700	0.23%
<b>Total</b>	<b>\$ 58,306,300</b>	<b>5.44%</b>	<b>Total</b>	<b>\$ 8,331,000</b>	<b>4.25%</b>

	2010		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
			Jimmy Dobbins PL, C/O McGovern/Roseman	\$ 3,378,500	1.40%
			Ogdensburg Associates	1,850,000	0.76%
			AA-7 Self Storage LLC	1,597,400	0.66%
			Sterling Hill Mining Museum, Inc	794,300	0.33%
			Individual Taxpayer #1	742,100	0.31%
			Individual Taxpayer #2	627,000	0.26%
			Individual Taxpayer #3	622,300	0.26%
			Barrett Property Mangement, LLc	595,300	0.25%
			83 Main Street, LLC	582,900	0.24%
			Individual Taxpayer #4	560,500	0.23%
<b>Total</b>	<b>\$ -</b>	<b>0.00%</b>	<b>Total</b>	<b>\$ 11,350,300</b>	<b>4.70%</b>

Note: Individual tax payers may be different in 2019 and 2010.

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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
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
2020	11,123,137	11,123,137	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Bond Anticipation Notes (BANs)		Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases		Capital Leases		Capital Leases				
2011	\$ 2,585,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	2,585,000	0.28%	\$ 136.33
2012	5,650,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	5,650,000	0.59%	299.69
2013	4,415,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,415,000	0.46%	235.48
2014	4,095,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,095,000	0.42%	221.69
2015	3,775,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,775,000	0.37%	206.08
2016	3,460,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,460,000	0.34%	191.09
2017	3,135,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	3,135,000	0.29%	173.63
2018	2,800,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,800,000	0.25%	156.24
2019	2,460,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,460,000	0.74%	157.31
2020	2,120,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,120,000	1.10%	135.57

Source: School District Financial Reports

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

<sup>a</sup> 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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	191.09
2017	3,135,000	-0-	3,135,000	0.655%	173.63
2018	2,800,000	-0-	2,800,000	0.586%	156.24
2019	2,460,000	-0-	2,460,000	0.515%	157.31
2020	2,120,000	-0-	2,120,000	0.444%	135.57

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, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Franklin Borough	\$ 2,077,099	100.00%	\$ 2,077,099
Hamburg Borough	563,550	100.00%	563,550
Hardyston Township	11,510,250	100.00%	11,510,250
Ogdensburg Borough	1,085,641	100.00%	1,085,641
County of Sussex - Municipality's Share:			
Franklin Borough	99,441,765	2.40%	2,388,530
Hamburg Borough	99,441,765	1.57%	1,556,853
Hardyston Township	99,441,765	6.54%	6,498,762
Ogdensburg Borough	99,441,765	1.08%	1,069,816
Subtotal, Overlapping Debt			26,750,501
Wallkill Valley Regional High School District Direct Debt			2,120,000
Total Direct And Overlapping Debt			<u>\$28,870,501</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.

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

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

Legal Debt Margin Calculation for Fiscal Year 2020

	Franklin Borough	Hamburg Borough	Hardyston Township	Ogdensburg Borough	Equalized Valuation Basis
2019	\$ 420,435,263	\$ 270,851,909	\$ 1,145,726,455	\$ 198,250,127	\$ 2,035,263,754
2018	402,270,048	268,154,293	1,107,611,526	196,557,696	1,975,928,365
2017	409,605,542	266,109,827	1,110,617,054	189,595,942	2,005,473,377
	<u>\$ 1,232,310,853</u>	<u>\$ 805,116,029</u>	<u>\$ 3,363,955,035</u>	<u>\$ 584,403,765</u>	<u>\$ 6,016,665,496</u>
	Average Equalized Valuation of Taxable Property				\$ 2,005,555,165
	Debt Limit (3% of average equalization value)				60,166,655 <sup>a</sup>
	Net Bonded School Debt				<u>2,120,000</u>
	Legal Debt Margin				<u>\$ 58,046,655</u>

Fiscal Year

	2011	2012	2013	2014	2015
Debt Limit	\$ 72,741,913	\$ 69,832,485	\$ 66,929,986	\$ 64,357,315	\$ 62,231,987
Total Net Debt Applicable to Limit	<u>2,585,000</u>	<u>5,650,000</u>	<u>4,415,000</u>	<u>4,095,000</u>	<u>3,775,000</u>
Legal Debt Margin	<u>\$ 70,156,913</u>	<u>\$ 64,182,485</u>	<u>\$ 62,514,986</u>	<u>\$ 60,262,315</u>	<u>\$ 58,456,987</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.55%	8.09%	6.60%	6.36%	6.07%

Fiscal Year

	2016	2017	2018	2019	2020
Debt Limit	\$ 61,414,823	\$ 60,186,073	\$ 59,646,083	\$ 59,559,953	\$ 60,166,655
Total Net Debt Applicable to Limit	<u>3,460,000</u>	<u>3,135,000</u>	<u>2,800,000</u>	<u>2,460,000</u>	<u>2,120,000</u>
Legal Debt Margin	<u>\$ 57,954,823</u>	<u>\$ 57,051,073</u>	<u>\$ 56,846,083</u>	<u>\$ 57,099,953</u>	<u>\$ 58,046,655</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	5.63%	5.21%	4.69%	4.13%	3.52%

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

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

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

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income</u>	<u>Sussex County Per Capita Personal Income <sup>b</sup></u>	<u>Unemployment Rate <sup>c</sup></u>
<u>Franklin Borough</u>				
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	292,604,666	61,757	5.20%
2019	4,721	291,554,797	61,757	*
2020	4,721 **	291,554,797 **	61,757	* N/A
<u>Hamburg Borough</u>				
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	192,928,868	61,757	4.80%
2019	3,131	193,361,167	61,757	*
2020	3,131 **	193,361,167 **	61,757	* N/A

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

Year	Population <sup>a</sup>	Personal Income	Sussex County Per Capita Personal Income <sup>b</sup>	Unemployment Rate <sup>c</sup>
<u>Hardyston Township</u>				
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	481,951,628	61,757	3.70%
2019	7,786	480,840,002	61,757 *	3.20%
2020	7,786 **	480,840,002 **	61,757 *	N/A
<u>Ogdensburg Borough</u>				
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	139,941,362	61,757	4.10%
2019	2,255	139,262,035	61,757 *	3.50%
2020	2,255 **	139,262,035 **	61,757 *	N/A

\* - Latest Sussex County per capita personal income available (2018) was used for calculation purposes.

\*\* - Latest population data available (2019) was used for calculation purposes.

N/A - Information Unavailable

Sources:

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

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

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

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

Employer	2019		2010		Percentage of Total Employment
	Employees	Percentage of Total Employment	Employer	Employees	
Selective Insurance Group	1,000-4,999	1.40%-7.00%	Crystal Springs Golf and Spa Resort	2,000	5.05%
Crystal Springs Resort	1,000-4,999	1.40%-7.00%	Newton Memorial Hospital	1,490	3.76%
Newton Medical Center	500-999	0.70%-1.40%	Selective Insurance	900	2.27%
Sussex County Offices	500-999	0.70%-1.40%	County of Sussex	830	2.10%
Thorlabs	500-999	0.70%-1.40%	Mountain Creek Resort	800	2.02%
Mountain Creek Resort	500-999	0.70%-1.40%	Shop Rite (Ronetco)	697	1.76%
Shop Rite	250-499	0.35%-0.70%	Ames Rubber Corp	445	1.12%
Sussex County Community College	250-499	0.35%-0.70%	Walmart	412	1.04%
United Methodist Community Bristol Glen	250-499	0.35%-0.70%	Andover Sub Acute & Rehab Center	300	0.76%
Andover Subacute & Rehab Center	100-249	0.14%-0.35%	Sussex County Community College	300	0.76%
	<u>4,850-15,740</u>	<u>6.96%-22.59%</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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	55.5	55.5	47.0	47.0	50.0	50.5	50.5	47.0	45.0	44.0
Special Education	8.0	9.0	9.0	9.0	9.0	12.0	12.0	14.0	15.0	14.0
Other Special Education			0.5	0.2	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student and Instruction Related Services	11.5	11.5	10.0	14.0	13.5	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	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Plant Operations and Maintenance	8.0	8.0	8.0	8.0	9.5	11.0	9.5	10.5	10.0	10.0
Business and Other Support Services	6.0	6.0	6.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Total</b>	<b>94.0</b>	<b>95.0</b>	<b>85.5</b>	<b>86.2</b>	<b>91.0</b>	<b>96.0</b>	<b>94.5</b>	<b>94.0</b>	<b>92.5</b>	<b>90.5</b>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School	School				
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%
2020	588	16,757,469	28,499	-4.59%	61	1:12.6	1:12.6	550.7	536	8.38%	97.33%

Source: Wallkill Valley Regional High School District record

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d The cost per pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

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

<u>District Building</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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)	775	706	684	660	685	670	674	623	590	588
Enrollment										

Number of Schools at June 30, 2020  
 High School = 1

Source: Wallkill Valley Regional High School District records

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



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

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

Fiscal Year Ended June 30,	High School	*	Total
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
2020	228,494		228,494

\* 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, 2020  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy – NJSIG Insurance Building & Personal Property/Boiler	\$ 52,994,751	\$ 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



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Independent Member  
BKR International

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2020.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members  
of the Board of Education  
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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

December 15, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney, Partner  
Licensed Public School Accountant #2602  
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Independent Member  
BKR International

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

Independent Auditors' Report

The Honorable President and Members  
Of the Board of Education  
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, 2020. 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 of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

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

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

***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, 2020.

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.

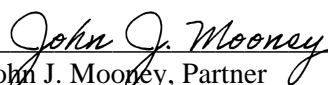
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

December 15, 2020  
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, 2020

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue/ (Accounts Receivable) 6/30/2019	Cash Received	Budgetary Expenditures	Balance 6/30/2020 Accounts Receivable	Unearned Revenue	Amounts Provided to Subrecipients
U.S. Department of Education Passed-through State Department of Education:										
General Fund:										
Medicaid Reimbursement	93.778	N/A	7/1/19 - 6/30/20	\$ 2,118		\$ 2,118	\$ (2,118)			
Total General Fund						2,118	(2,118)			
U.S. Department of Agriculture										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/19-6/30/20	14,850		14,850	(13,124)		\$ 1,726	
Federal Food Distribution Program	10.555	N/A	7/1/18-6/30/19	15,973	\$ 1,490		(1,490)			
COVID 19 - Seamless Summer Option	10.555	N/A	7/1/19-6/30/20	545		177	(545)	\$ (368)		
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	34,927		34,919	(34,927)	(8)		
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	48,507	(1,877)	1,877				
Total U.S. Department of Agriculture/Child Nutrition Cluster					(387)	51,823	(50,086)	(376)	1,726	
U.S. Department of Education										
Passed-through State Department of Education:										
Elementary and Secondary Education Act Grant:										
Title I	84-010A	ESEA-5435-20	7/1/19-9/30/20	69,119		23,040	(69,119)	(46,079)		
Title II A	84-367A	ESEA-5435-20	7/1/19-9/30/20	11,254		3,751	(11,254)	(7,503)		
Title IV	84-424	ESEA-5435-20	7/1/19-9/30/20	10,000		9,931	(9,947)	(16)		
Special Education Cluster:										
I.D.E.A. Part B, Basic	84-027	IDEA-5435-20	7/1/19-9/30/20	130,630		74,805	(130,630)	(55,825)		
Perkins Vocational Education - Basic Grants	84-048A	N/A	7/1/19-6/30/20	5,183		4,657	(4,222)		435	
Perkins Vocational Education - Basic Grants	84-048A	N/A	7/1/18-6/30/19	6,652	829		(829)			
Total U.S. Department of Education					829	116,184	(226,001)	(109,423)	435	
Total Federal Financial Awards					\$ 442	\$ 170,125	\$ (278,205)	\$ (109,799)	\$ 2,161	\$ -0-

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARD.



WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance			Balance 6/30/2020		MEMO	
				Unearned Revenue (Accounts Receivable) 6/30/2019	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable
NJ Department of Education:										
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	\$ 2,938,820	\$ (286,671)		\$ 286,671				\$ 2,938,820
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	4,252	(415)	415					4,252
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	508,608	(49,613)	49,613					508,608
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	525,097	(51,221)	51,221					525,097
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	67,325	(6,567)	6,567					67,325
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19	485,305	(47,340)	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
Non-Public Transportation	19-495-034-5120-014	7/1/18-6/30/19	14,806	(14,806)	14,806					14,806
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	7/1/18-6/30/19	463,765	(22,533)	22,533					463,765
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	484,113		484,113	\$				484,113
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	1,281,974		1,281,974					1,281,974
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	22,978		22,978					22,978
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	933		933					933
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	7/1/19-6/30/20	449,094		426,837					449,094
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	2,938,820		2,651,467					2,938,820
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	29,818		26,902					29,818
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	508,608		458,877					508,608
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	525,097		473,754					525,097
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	67,325		60,742					67,325
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	280,521		253,092					280,521
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	128,436							128,436
Non-Public Transportation	20-495-034-5120-014	7/1/19-6/30/20	9,222							9,222
Total General Fund State Aid				(639,295)	6,780,964		(6,726,939)	(159,915)	(585,270)	11,895,046
Total NJ Department of Education				(639,295)	6,780,964		(6,726,939)	(159,915)	(585,270)	11,895,046

WALLKILL VALLEY REGIONAL HIGH SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance			Balance 6/30/2020		MEMO	
				Unearned Revenue (Accounts Receivable) 6/30/2019	Carryover/(Walkover) Amount	Cash Received	GAAP (Accounts Receivable)	Budgetary Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
<b>Enterprise Fund:</b>										
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	\$ 2,074	\$ (76)	\$ 76	\$ (6)	\$ (6)	\$ (6)	\$ (6)	\$ 2,074
COVID 19 - Seamless Summer Option	20-100-010-3350-023	7/1/19-6/30/20	9		3					9
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	1,319		1,319					1,319
<b>Total Enterprise Fund</b>				<b>(76)</b>	<b>1,398</b>	<b>(1,328)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>3,402</b>
<b>Total State Awards</b>				<b>\$ (639,371)</b>	<b>\$ 6,782,362</b>	<b>\$ (6,728,267)</b>	<b>\$ (159,921)</b>	<b>\$ -0-</b>	<b>\$ (585,276)</b>	<b>\$ 14,821,045</b>
<b>Less: State Awards Not Subject to Single Audit Major Program Determination</b>										
<b>On-Behalf TPAF Pension System Contributions:</b>										
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20								\$ 484,113
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20								1,281,974
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20								22,978
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20								933
<b>Subtotal - On-Behalf TPAF Pension System Contributions</b>										<b>1,789,998</b>
<b>Total State Awards Subject to Single Audit Major Program Determination</b>										<b>\$ (4,938,269)</b>

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, 2020

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, 2020. 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 \$16,472 for the general fund and (\$7,300) for the Special Revenue Fund of which is all for local grants. 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, 2020  
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,118	\$ 6,743,411	\$ 6,745,529
Special Revenue Fund	226,001		226,001
Enterprise Fund - Food Service	50,086	1,328	51,414
	<u>\$ 278,205</u>	<u>\$ 6,744,739</u>	<u>\$ 7,022,944</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, 2020. 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, 2020

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, 2020 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:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State:</u>				
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 525,097	\$ 525,097
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	2,938,820	2,938,820
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	67,325	67,325
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	280,521	280,521
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	29,818	29,818

- 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, 2020  
(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, 2020

Status of Prior Year Findings:

There were no findings in the prior year.