

AGENDA
ROCKY POINT PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 24, 2016

Reminder Regarding Public Comment:

- Public comment at meetings of the Board shall be restricted to civil discourse, free from disparaging remarks or inferences toward any person or organization. Speakers who fail to observe this protocol will be ruled out of order.
- A period of time not to exceed fifteen (15) minutes, unless extended at any given meeting by resolution of the Board, shall be provided prior to Board action on the agenda. Each speaker shall be limited to a maximum of three minutes. Speakers may not share, defer, or otherwise reallocate any or all of the three minutes afforded them.
- A period of time not to exceed thirty (30) minutes, unless extended at any given meeting by resolution of the Board, shall be provided subsequent to the completion of Board action on the agenda. Each speaker shall be limited to a maximum of three minutes. Speakers may not share, defer, or otherwise reallocate any or all of the three minutes afforded them.
- Speakers shall be ruled out of order if they attempt to speak about any specific student or employee, by name or title.

I Meeting called to Order: _____

Present: Susan Sullivan, President
Scott Reh, Vice President
Melissa Brown, Trustee
Sean Callahan, Trustee
Edward Casswell Trustee
Michael F. Ring, Ed.D., Superintendent of Schools
Deborah De Luca, Ed.D., Assistant Superintendent
Gregory Hilton, School Business Official
Susan Wilson, Executive Director for Educational Services
Patricia Jones, District Clerk

Absent:

Pledge of Allegiance

Superintendent's Report

CONSENT AGENDA

The items listed below are presented as part of the Consent Agenda which can be adopted by the Board of Education under a single motion followed by a second and then a formal vote. The Consent Agenda items are listed below in their regular order within a group. Before an actual vote is taken, any Consent Agenda item may be removed by a Board member without a formal motion or second. If this occurs, the indicated resolution will be discussed during its regular order on the agenda and voted on individually.

II-VIII Consent Agenda Items

BE IT RESOLVED, that the Board of Education accepts the following agenda items as one item.

- II: Minutes – Regular Meeting, September 26, 2016**
- III Budget Transfer Summary – September 2016**
- IV: Treasurer’s Reports – September 2016**
- V: Extra-Classroom Activity Account Treasurer’s Report – September 2016**
- VI: Financials – September 2016**
- VII: Internal Claims Audit Report – September 2016**
- VIII: Committees on Special Education Schedules 10-24-16-A and 10-24-16-B as recommended by the Superintendent of Schools, to arrange for appropriate services, as indicated.**

Motion _____ 2nd _____ Vote _____

IX 2015-2016 Independent Auditors Report on Extra-Classroom Activity Funds

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the Independent Auditors Report on Extra-Classroom Activity Funds with accompanying statements and schedules for the fiscal year ending June 30th, 2016, which have been submitted by our external auditors, R.S. Abrams.

Motion _____ 2nd _____ Vote _____

X 2015-2016 Independent Auditors Report

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the Independent Auditors Report with accompanying statements and schedules for the fiscal year ending June 30th, 2016, which have been submitted by our external auditors, R.S. Abrams.

Motion _____ 2nd _____ Vote _____

XI 2015-2016 Independent Audit Corrective Action Plan

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the Independent Audit Corrective Action Plan responding to Current Year Comments from the District’s external auditors, R.S. Abrams.

Motion _____ 2nd _____ Vote _____

XII Surplus Equipment

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education approves for surplus the following attached list of equipment.

Motion _____ 2nd _____ Vote _____

XIII RFP #R17-03 Award – External Auditing Services

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the firm of R.S. Abrams be appointed External Auditor for the year ending June 30, 2017 at a cost of \$30,400.00 for external auditing services in accordance with the scope of services submitted in response to the district’s request for proposal.

Motion _____ 2nd _____ Vote _____

XIV Shoreham-Wading River CSD 2016-2017 Contract

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with the Shoreham-Wading River Central School District for special education students instructional services for the 2016-2017 school year as required under applicable Individual Educational Programs, applicable law, and/or district policy.

Motion _____ 2nd _____ Vote _____

XV First Student Transportation Services Contract Extension for 2017-2018

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education extends the Regular Home to School, Field/Athletic Trips and Summer Transportation contracts with First Student for the 2017-2018 school year, as per the attached.

Motion _____ 2nd _____ Vote _____

XVI Sachussetts Central School District 2016-2017 Contract

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with the Sachussetts Central School District for special education students instructional services for the 2016-2017 school year as required under applicable Individual Educational Programs, applicable law, and/or district policy.

Motion _____ 2nd _____ Vote _____

XVII Cleary School for the Deaf 2016-2017 Contract

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with the Cleary School for the Deaf for special education students instructional services for the 2016-2017 school year as required under applicable Individual Educational Programs, applicable law, and/or district policy.

Motion _____ 2nd _____ Vote _____

XVIII Riverhead Central School District 2016-2017 Contract

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with the Riverhead Central School District for nonpublic or parochial school special education students services for the 2016-2017 school year as required under applicable Individual Educational Programs, applicable law, and/or district policy.

Motion _____ 2nd _____ Vote _____

XIX Review and Re-Adoption of Board of Education Policies (*first reading*)

BE IT RESOLVED, that the Board of Education reviews and adopts the following policies (*first reading*):

- 7220 Graduation Requirements/Early Graduation/Accelerated Programs
- 7222 Credential Options for Students with Disabilities
- 8450 Home Tutoring (Homebound Instruction)

Motion _____ 2nd _____ Vote _____

XX Motion to Destroy Ballots Cast, Spoiled and Unused at the May 17, 2016 Annual District Budget Vote and Board of Education Election

BE IT RESOLVED, that pursuant to Education Law Section 2034, the Board of Education hereby authorizes the District Clerk to destroy all of the ballots cast, spoiled and unused at the May 17, 2016 Annual District Budget Vote and Board of Education Election, no earlier than November 17, 2016.

Motion _____ 2nd _____ Vote _____

XXI Student Instructional Services Contract

BE IT RESOVLED, that the Board of Education has considered the request for a contract between Rocky Point Schools and Ms. Dawn Solomon for her child, Samantha Solomon, grade 10, to attend the Rocky Point Union Free School District for the remainder of the 2016-2017 school year beginning on October 25, 2016 and ending on June 23, 2017.

BE IT FURTHER RESOLVED, that the Board of Education hereby

_____ this request.

Approves/Denies

Motion _____ 2nd _____ Vote _____

XXII Inactivation of Assistant District Clerk Appointment

BE IT RESOLVED, that the Board of Education inactivates the appointment of Loretta Sanchez to the position of Assistant District Clerk effective from the end of business on October 31, 2016 through January 27, 2017.

Motion _____ 2nd _____ Vote _____

XXIII Appointment of Assistant District Clerk

BE IT RESOLVED, that the Board of Education appoints Kelly White to the position of Assistant District Clerk beginning November 1, 2016 through January 27, 2017 at her current hourly rate for regular time and overtime, as required by the Board of Education, in substitution of Loretta Sanchez.

Motion _____ 2nd _____ Vote _____

XXIV Appointment of District Clerk

BE IT RESOLVED, that the Board of Education appoints Kelly White to the position of District Clerk beginning January 28, 2017 through June 30, 2017 at an annual stipend of \$14,500, pro-rated, in replacement of Patricia Jones.

Motion _____ 2nd _____ Vote _____

XXV Approval of Employment Agreement with a Confidential Employee

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education approves the employment agreement between the Board of Education and Mrs. Dorothy Tis.

BE IT FURTHER RESOLVED, that the Board authorizes the President of the Board of Education to execute said employment agreement on behalf of the Board.

Motion _____ 2nd _____ Vote _____

XXVI Personnel

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the attached Personnel changes.

Motion _____ 2nd _____ Vote _____

XXVII New Business

XXVIII Executive Session (if necessary)

At _____ PM motion made and seconded to go into Executive Session to discuss _____.

Motion _____ 2nd _____ Vote _____

The Board returned to Open Session at _____

XXIX Adjournment

I move that the Board of Education adjourns the meeting at _____ PM

Motion _____ 2nd _____ Vote _____

**MINUTES
ROCKY POINT PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
SEPTEMBER 26, 2016**

Mrs. Sullivan called the meeting to order at 4:10 p.m. in the auditorium of the Rocky Point High School.

Present: Susan Sullivan, President
Scott Reh, Vice President
Melissa Brown, Trustee (arriving at 4:57)
Sean Callahan, Trustee
Edward Casswell, Trustee (arriving at 5:55)
Michael F. Ring, Ed.D., Superintendent of Schools (arriving at 5:55)
Deborah De Luca, Ed.D. Assistant Superintendent (arriving at 5:55)
Gregory Hilton, School Business Official (arriving at 5:55)
Susan Wilson, Executive Director for Educational Services (arriving at 5:55)
Patricia Jones, District Clerk

Also Present: Keith Gutstein, Esq.
David Tauster, Esq.

Absent: None

EXECUTIVE SESSION

At 4:10 p.m. Scott Reh made a motion and Sean Callahan seconded to adjourn to Executive Session to discuss ongoing litigation and confidential personnel matters pertaining to select employees.

All in favor – Motion carried 3-0

The Board returned to Open Session at 7:01 p.m.

Mrs. Sullivan announced that the Board was returning from Executive Session.

PLEDGE OF ALLEGIANCE

SUPERINTENDENT'S REPORT

Dr. Ring advised meeting attendees that there will be a Smart Schools Presentation and Public Hearing beginning at 7 p.m. on October 24th, 2016 during the regularly scheduled monthly Board of Education meeting. Dr. Ring further advised that the presentation is currently available on the district's website for those who wished to review the

Preliminary Investment Plan on the NY State Smart Schools link prior to the public informational hearing.

Dr. Ring invited Mrs. Crossan to begin the principals' reports.

MRS. SUSANN CROSSAN, PRINCIPAL, ROCKY POINT HIGH SCHOOL

- Grade level assemblies were conducted to review the code of conduct and student expectations.
- The 9th grade parent orientation was held on Thursday, September 22nd prior to the Open School Night program. Parents received the club and activity guide together with a document entitled "Positive Attitude and Actions Will Make a Difference." The guidance and support service staff members were introduced and parents were provided with an overview of graduation requirements, the attendance policy, and the code of conduct. Parents then proceeded through their child's schedule in ten minute class periods in order to meet each teacher and learn about curriculum, course requirements and grading policies.
- Mrs. Crossan thanked social studies teacher Mr. Rich Acritelli for his efforts in putting together a 9/11 ceremony for ninth and tenth grade students. Keynote speakers, Mr. Anthony Flammia and Mr. Owen McCaffery, shared their experiences during 9/11 in an effort to preserve history and to keep the memory of the many heroes alive for the students.
- Homecoming was held on September 17th. Festivities included Spirit Week, a Pep Rally and a Powderpuff football game. The annual Homecoming Parade included the marching band and grade-level floats created around the theme "Four Sensational Seasons." Mrs. Crossan thanked the grade level advisors, students and staff for their participation in the program. The graduating class of 1976 was honored as the Grand Marshalls of the parade. Mrs. Crossan extended special thanks to the cheerleaders for their dedicated efforts in making Homecoming a spirited and festive event.
- Many of the school clubs are underway as officers of the clubs are being selected. Mrs. Crossan encouraged all students to become actively involved in the clubs and programs.
- The Varsity Club members sold bracelets to help raise monies for the Wounded Warrior Project. Members of the Be A Nicer Neighbor (BANN) club held a car wash in an effort to raise monies for Hubner's Homeless Helpers.
- Mrs. Crossan reminded those in attendance of the following upcoming events:
 - Thursday, October 13th: Class Ring Parent Night
 - Saturday, October 15th: PSAT exams
 - Thursday, October 20th: Newsday's Marching Band Festival at Hofstra

DR. SCOTT O'BRIEN, PRINCIPAL, ROCKY POINT MIDDLE SCHOOL

- Dr. O'Brien thanked the faculty, staff and parents at the middle school for a smooth 2016/2017 school year opening.
- Middle school sports and clubs are underway with many students actively involved in after-school activities. Dr. O'Brien invited all to view the club guide link available on the middle school website for information concerning all clubs, advisors and meeting dates. Dr. O'Brien also announced the availability of the bi-

weekly flyer that is posted to the website as this flyer has the most updated information about school-wide events and after-school activities.

- Open House was held on September 15th. Parents and guardians were able to follow their child's schedule and learn about student curriculum, class expectations, and communication procedures. Dr. O'Brien thanked all those parents and guardians who attended the program.
- Dr. O'Brien reported that Spirit Week was a success as was the third annual Middle School Pep Rally.
- Dr. O'Brien advised that the staff is very busy planning the third annual PBIS (Positive Behavior Intervention Support) kick-off. The event will showcase Rocky Point School PRIDE in order to recognize and reward positive student behaviors. Dr. O'Brien offered his gratitude to all those teachers and staff members that have been busy helping to make this upcoming event possible.

MS. LINDA TOWLEN, PRINCIPAL, JOSEPH A. EDGAR SCHOOL

- Ms. Towlen reported a wonderful start to the new school year as JAE welcomed new 3rd graders and returning 4th and 5th graders.
- Ms. Towlen advised that Open Houses were well-attended and thanked all the parents and teachers for their support of the events.
- Spirit Week was celebrated during the week of September 12th. The students participated in various themes throughout the week.
- On September 17th, JAE students and teachers carried their banner as they marched in the annual Homecoming Parade. Ms. Towlen offered special thanks to Ms. Craig and Ms. Lopez for their contributions to the event.
- Teachers have been busy getting to know their new students and completing assessments that will help support them in their instructional plans.
- The first PTA meeting is scheduled to take place at FJC on October 5th, 2016.

MS. LINDA TOWLEN ON BEHALF OF DR. VIRGINIA KELLY-GIBBONS, PRINCIPAL, FRANK J. CARASITI ELEMENTARY SCHOOL

- Open Houses were well-attended and Ms. Towlen, on behalf of Dr. Kelly-Gibbons, thanked all FJC teachers for their welcoming presentations. Members of the PTA, the North Shore Public Library and the Boy Scouts were on hand to provide FJC families with important information.
- FJC students showed their school spirit with Blue and White Day, Crazy Hat Day, Hawaiian Shirt Day or Dress for Success Day, Team Day and Crazy Sock Day.
- Ms. Towlen, on behalf of Dr. Kelly-Gibbons, thanked Mr. Treewolf West for once again creating the beautiful Homecoming banner as the students and Mrs. Leary marched in the 2016 Homecoming Parade.
- Ms. Kenwood is making preparations for the second grade chorus as she chooses a theme for the holiday cheer.
- Both the Science Club and the Garden Club are getting ready to send out invitations.
- School picture days are scheduled for September 28th, 29th and 30th.

- Kindergarten students are looking forward to the annual fire department visit scheduled this year on October 11th.
- Everyone is looking forward to the First Grade Pumpkin Patch and Harvest Day Parade activities scheduled for October 24th and October 28th, respectively.
- Ms. Towlen, on behalf of Dr. Kelly-Gibbons, thanked the PTA for sponsoring the Character Education Assembly, *Cultivate Kindness*, coming to FJC on October 17th.

Mrs. Sullivan thanked the principals for their reports.

Mrs. Sullivan opened the floor to questions and/or comments from meeting attendees.

- Referencing Schedule E – Co-Curricular Positions on the personnel schedule for this board meeting, Dr. Pinkenburg asked for clarification of the appointment of a swim coach/chaperone for independent swimmers. Dr. Ring explained that it has been a long-time practice of the district and the Board of Education, at its discretion, to support students that compete as an independent athlete in sports for which Rocky Point does not have a team. These athletes compete along with other students from other public schools, both independents and teams. Dr. Pinkenburg expressed his opinion that the District and the Board of Education should not continue this practice as, in his view, it does not benefit the District. Mrs. Sullivan thanked Dr. Pinkenburg for his comments.

There were no further questions or comments.

CONSENT AGENDA

The items listed below are presented as part of the Consent Agenda which can be adopted by the Board of Education under a single motion followed by a second and then a formal vote. The Consent Agenda items are listed below in their regular order within a group. Before an actual vote is taken, any Consent Agenda item may be removed by a Board member without a formal motion or second. If this occurs, the indicated resolution will be discussed during its regular order on the agenda and voted on individually.

III-IX Consent Agenda Items

Upon a motion made by Scott Reh and seconded by Melissa Brown, the following resolution was offered:

BE IT RESOLVED, that the Board of Education accepts the following agenda items as one item.

- III: Minutes** – Regular Meeting, August 29, 2016
- IV Budget Transfer Summary** – June Year-End, July and August 2016
- V: Treasurer’s Reports** – July and August 2016
- VI: Extra-Classroom Activity Account Treasurer’s Report** – July and August 2016
- VII: Financials** – June, July and August 2016

VIII: Internal Claims Audit Report – August 2016

IX: Committees on Special Education Schedules 9-26-16-A and 9-26-16-B as recommended by the Superintendent of Schools, to arrange for appropriate services, as indicated.

All in favor – Motion carried 5-0

X Tax Levy

Upon a motion made by Melissa Brown and seconded by Edward Casswell, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the tax levy of \$48,084,714 for the 2016-2017 fiscal year be approved.

All in favor – Motion carried 5-0

XI Surplus Equipment

Upon a motion made by Edward Casswell and seconded by Sean Callahan, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education approves for surplus the following attached list.

All in favor – Motion carried 5-0

XII Surplus Textbooks

Upon a motion made by Sean Callahan and seconded by Scott Reh, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education approves for surplus the following attached list of textbooks.

All in favor – Motion carried 5-0

XIII Special Education Contract - DDI

Upon a motion made by Scott Reh and seconded by Melissa Brown, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with Developmental Disabilities Institute, Inc. for special education students' services for the 2016-2017 school year under applicable Individual Educational Programs, applicable law, and/or district policy.

All in favor – Motion carried 5-0

XIV Special Education School-Year Contract – Three Village CSD

Upon a motion made by Melissa Brown and seconded by Edward Casswell, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with Three Village Central School District for special education students' services for the 2016-2017 school year under applicable Individual Educational Programs, applicable law, and/or district policy.

All in favor – Motion carried 5-0

XV Special Education School Contract – Summit School of Nyack

Upon a motion made by Edward Casswell and seconded by Sean Callahan, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to enter into a contract with Summit School of Nyack for special education students' services for the 2016-2017 school year under applicable Individual Educational Programs, applicable law, and/or district policy.

All in favor – Motion carried 5-0

XVI Resolution to Award a Bid – Playground Reconstruction at Frank J. Carasiti Elementary School - SED No.: 58-02-09-020-006-015

Upon a motion made by Sean Callahan and seconded by Scott Reh, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education awards the contract for Playground Reconstruction at Frank J. Carasiti Elementary School, as follows:

<u>Contract No. 1:</u>	Playground Reconstruction	
	Louis Barbato Landscaping, Inc.	\$33,925.00

Discussion ensued. Mr. Reh commented upon the discrepancy in bid quotes from the four businesses bidding for the contract indicating that this bid was far below the others received. Dr. Ring responded that the bid before the board was indeed both the lowest responsible bid and far below the other bids submitted.

There was no further discussion

All in favor – Motion carried 5-0

XVII Authorization of One-Time Exception to Certain Provisions of Policy 7120

Upon a motion made by Scott Reh and seconded by Melissa Brown, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes a one-time exception to the cutoff date specified in Board of Education Policy 7120, for a student made known to the Board of Education.

All in favor – Motion carried 5-0

XVIII PTA Donation of LeapFrog LeapStart Interactive Learning Systems

Upon a motion made by Melissa Brown and seconded by Edward Casswell, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the donation of three (3) LeapFrog LeapStart Interactive Learning Systems from the Rocky Point PTA, valued at approximately \$105.00.

All in favor – Motion carried 5-0

Mrs. Sullivan thanked the PTA for its continued generosity.

XIX Friends of Music Donation of Marching Band Audio Equipment

Upon a motion made by Edward Casswell and seconded by Sean Callahan, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the donation of a Sound Machine SM-5-HBM-HBMCD, Sport-1 Sound Porter convertible transport system and a Kenny Cable from the Rocky Point Friends of Music, valued at approximately \$4,513.00.

Motion carried 5-0

Mrs. Sullivan thanked the Friends of Music for this very generous donation.

XX Donation to School Lunch Program

Upon a motion made by Sean Callahan and seconded by Scott Reh, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the \$400.00 donation from the Heely family. The money will be used to continue the Heely Emergency Lunch Program (HELP).

All in favor – Motion carried 5-0

Mrs. Sullivan thanked family members of the Heely family very much for their donation.

XXI 2016 Fuel Up to Play 60 School Nutrition Equipment Grant Award

Upon a motion made by Scott Reh and seconded by Melissa Brown, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education approves and accepts the Fuel Up to Play 60 grant from the American Dairy Association and Dairy Council in the amount of \$2,500.00, as per the attached.

BE IT RESOLVED, that the Rocky Point Union Free School District hereby approves, upon the recommendation of the Superintendent of Schools, to increase the school lunch budget by \$2,500.00 as a result of the Fuel Up to Play 60 Grant program.

BE IT FURTHER RESOLVED, that the following budget codes be adjusted to reflect that increase.

C2860200041000 \$2,500.00

All in favor – Motion carried 5-0

XXII Memorandum of Agreement between the Board of Education of the Rocky Point Union Free School District and the Rocky Point Teachers' Association

Upon a motion made by Melissa Brown and seconded by Edward Casswell, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education authorizes the President of the Board of Education to execute a Memorandum of Agreement between the District and the Rocky Point Teachers' Association for the purpose of approving a change in the method of payment for stipends for select chairpersons (ELA, Math, Science and Social Studies) to be paid in equal increments via remaining 2016-2017 biweekly paychecks, as per the attached.

All in favor – Motion carried 5-0

XXIII Personnel

Upon a motion made by Susan Sullivan and seconded by Edward Casswell, the following resolution was offered:

BE IT RESOLVED, that upon the recommendation of the Superintendent of Schools, the Board of Education accepts the attached Personnel changes.

All in favor – Motion carried 5-0

XXIV New Business

Mrs. Sullivan inquired of the trustees if there was any new business they wished to discuss. There was no new business.

Mrs. Sullivan opened the floor to questions and/or comments from meeting attendees.

- Ms. Joanne Morgan inquired of the Board if they had any current information on the Pay to Play laws in the United States, particularly as they may pertain to New York State, and charging students fees to participate in team sports. Ms. Morgan explained that it was her understanding that student-athletes on the JV football team were being asked to sell ten coupon books at \$25.00 per book by the next scheduled practice session in order to be able to participate in the practice. Mr. Reh suggested that the coupon books might be part of a fundraiser and not associated with Pay to Play which he, Mrs. Sullivan and Dr. Ring believed to be illegal in New York. Mrs. Sullivan assured Ms. Morgan that she and the board trustees would certainly look into the matter. Ms. Morgan thanked Mrs. Sullivan for investigating the issue.
- Ms. Jessica Ward, referencing recommendations submitted to the district in June by a Next S.T.E.P. committee of which she was a participant, asked when the recommendations would take effect. Dr. Ring responded that upon completion of his review of the recommendations of the committee and his approval of same, he will forward the recommendations to the Board of Education for its consideration and action. Dr. Ring believed this procedure would be completed before the end of the calendar year.
- Ms. Kathi Heggars offered to clarify the JV football fundraising currently taking place. Ms. Heggars advised that the selling of the coupon books was a fundraiser and not Pay for Play. Ms. Heggars said the monies raised would help to pay for various team items unable to be funded through the school. Ms. Heggars confirmed that the student-athletes ability to participate in practice was not associated in any way with the fundraiser.

There were no further questions or comments.

XXV ADJOURNMENT

Upon a motion made by Melissa Brown and seconded by Sean Callahan, the Board of Education adjourned the meeting at 7:24 p.m.

All in favor – Motion carried 5-0

Respectfully submitted,

Patricia Jones
District Clerk

Budget Transfer Summary Report
September 2016

From Account			To Account			
From Account #	Description	Amount	To Account #	Description	Amount	Reason
A2330500042002	Drivers Ed.	\$ 40.00	A2330500041002	Continuing Ed.	\$ 40.00	Supplies
A2810400030000	HS Contractual	\$ 2,000.00	A2810400060000	MS Contractual	\$ 2,000.00	Additional Contractual Services
A2138436033120	Entry Fees	\$ 50.00	A2138441033120	Dues	\$ 50.00	Membership
A2810400060000	Contractual	\$ 109.00	A2810441060000	Dues	\$ 109.00	Membership

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FINANCE REPORTS
FOR THE MONTH ENDED SEPTEMBER 2016**

BOARD MEETING BOOK

TREASURER'S REPORT
EXTRA-CLASSROOM ACTIVITY TREASURER'S REPORT

REPORTS FILED IN DISTRICT CLERKS OFFICE:

CASH REPORT
CASH FLOW REPORT

GENERAL FUND
TRIAL BALANCE
REVENUE STATUS REPORT
APPR. BUDGET STATUS REPORT

CAFETERIA FUND
TRIAL BALANCE
REVENUE STATUS REPORT
APPR. BUDGET STATUS REPORT

FEDERAL FUND
TRIAL BALANCE
REVENUE STATUS REPORT
APPR. BUDGET STATUS REPORT

CAPITAL FUND
TRIAL BALANCE
REVENUE STATUS REPORT
APPR. BUDGET STATUS REPORT

TRUST AND AGENCY FUND
TRIAL BALANCE

SCHOLARSHIP FUND
TRIAL BALANCE

DEBT SERVICE FUND
TRIAL BALANCE
REVENUE STATUS REPORT
APPR. BUDGET STATUS REPORT

STUDENT ACTIVITY
TRIAL BALANCE

**Rocky Point Union Free School District
Treasurer's Report
For the Month Ended: September 30, 2016**

Rocky Point Union Free School District
Treasurer's Report
General Fund - Investment A2008
As of September 30, 2016

Reconciled Balance as of:	8/31/2016		15,419,405.59
Receipts:			
Interest Revenue		3,404.50	
UPK Revenue '16-'17		98,568.00	
Excess Cost Aid 2015-2016		151,218.00	
VLT Lottery Revenue '16-'17		99,148.83	
General Aid Receivable		107,625.00	
Lottery Aid '16-'17		<u>3,388,125.32</u>	
			3,848,089.65
Disbursements:			
Funding Transfer: Net Payroll		1,798,434.05	
Funding Transfer: Payroll Deductions		1,277,092.32	
Funding Transfer: AP Warrants		<u>1,917,082.24</u>	
			<u>(4,992,608.61)</u>
Total available balance per General Ledger as of:	9/30/2016		<u><u>14,274,886.63</u></u>
Bank Balance as of: 9/30/2016			<u><u>14,274,886.63</u></u>

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Holloman
Date: 10/7/2016

A2008

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
GENERAL FUND INVESTMENT ACCOUNT
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

0 ENCLOSURES Page 1 of 1

Govt Banking Blended Chking

Opening balance	09-01-16	15,419,405.59
+Deposits/Credits	3	3,848,089.65
-Checks/Debits	7	4,992,608.61
-Service charge		0.00
Ending balance	09-30-16	14,274,886.63
Days in Statement Period	30	
Interest Paid this Year		30,977.99

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				15,419,405.59
09-01	ACH deposit			249,786.00	15,669,191.59
	NYS OSC ACH				
	090116 ROCKY POINT SCHOOL DIS AP00018296979				
09-15	Book transfer debit		650,163.18		15,019,028.41
09-15	Book transfer debit		884,774.75		14,134,253.66
09-15	Book transfer debit		871,257.11		13,262,996.55
09-23	Blended Checking Interest			3,404.50	13,266,401.05
	XSECR BAL INT				
09-27	Book transfer debit		235,772.11		13,030,628.94
09-28	Book transfer debit		913,659.30		12,116,969.64
09-28	Book transfer debit		626,929.14		11,490,040.50
09-29	ACH deposit			3594,899.15	15,084,939.65
	NYS OSC ACH				
	092916 ROCKY POINT SCHOOL DIS AP00018985066				
09-29	Book transfer debit		810,053.02		14,274,886.63
	Ending balance				14,274,886.63

----- EFT ACTIVITY -----

DETAIL ACCOUNT TRANSACTIONS - A 2008 CAPITAL ONE INVESTMENT - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	15,419,405.59
09/01/16	1024648			UPK REVENUE '16-'17	CR-23	98,568.00	0.00	15,517,973.59
09/01/16	1024649			EXCESS COST AID '15-'16	CR-23	151,218.00	0.00	15,669,191.59
09/15/16	1024669			TRUST & AGENCY DEDUCTIO	CR-23	0.00	650,163.18	15,019,028.41
09/15/16	1024670			FUNDING NET PAYROLL 9.16.	CR-23	0.00	884,774.75	14,134,253.66
09/15/16	1024668			FUNDING WARRANT #14	CR-23	0.00	871,257.11	13,262,996.55
09/23/16	1024686			INTEREST REVENUE	CR-23	3,404.50	0.00	13,266,401.05
09/27/16	1024687			FUNDING WARRANT #17	CR-23	0.00	235,772.11	13,030,628.94
09/28/16	1024691			TRUST & AGENCY DEDUCTIO	CR-23	0.00	626,929.14	12,403,699.80
09/28/16	1024692			FUNDING NET PAYROLL 9.30.	CR-23	0.00	913,659.30	11,490,040.50
09/29/16	1024698			FUNDING WARRANT #16	CR-23	0.00	810,053.02	10,679,987.48
09/29/16	1024688			GENERAL AID REC'BLE 2015-	CR-23	107,625.00	0.00	10,787,612.48
09/29/16	1024689			LOTTERY AID 2016-2017	CR-23	3,388,125.32	0.00	14,175,737.80
09/29/16	1024690			VLT LOTTERY GRANT REV.20	CR-23	99,148.83	0.00	14,274,886.63
				TOTALS		3,848,089.65	4,992,608.61	14,274,886.63

Report Completed 10:21 AM

Rocky Point Union Free School District
Treasurer's Report
General Fund - AP Checking A2010
As of September 30, 2016

Reconciled Balance as of: 8/31/2016 2,333,415.78

Receipts:

Steel	196.80	
Facilities Use	120.00	
BOCES Aid '15-'16	982,657.25	
Drivers Education	37,000.00	
Community Education	105.00	
Rocky Point Lions Club	240.00	
Health, Dental, Life, Flex	5,108.79	
Funding Transfer	<u>1,917,082.24</u>	
		2,942,510.08

Disbursements:

NSF Checks	855.00	
Cash Disbursements	<u>2,110,191.48</u>	
		<u>(2,111,046.48)</u>

Total available balance per General Ledger as of: 9/30/2016 3,164,879.38

Bank Balance as of: 9/30/2016 3,527,595.90

Less: Outstanding Checks 362,716.52

Adjusted Bank Balance as of: 9/30/2016 3,164,879.38

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia McLowry
Date: 10/7/2016

A2010

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
GENERAL FUND CHECKING
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

247 ENCLOSURES Page 1 of 9

Govt Banking Blended Chking

Opening balance	09-01-16	3,439,422.17
+Deposits/Credits	11	2,942,510.08
-Checks/Debits	250	2,854,336.35
-Service charge		0.00
Ending balance	09-30-16	3,527,595.90
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				3,439,422.17
09-01	Check withdrawal	103851	743,745.41		2,695,676.76
09-01	Check withdrawal	103838	770.00		2,694,906.76
09-01	Check withdrawal	103833	500.00		2,694,406.76
09-01	Check withdrawal	103848	478.58		2,693,928.18
09-02	Check withdrawal	103646	3,547.86		2,690,380.32
09-02	Check withdrawal	103844	765.53		2,689,614.79
09-02	Check withdrawal	103840	673.28		2,688,941.51
09-06	Check withdrawal	103934	27,272.36		2,661,669.15
09-06	Check withdrawal	103920	9,188.57		2,652,480.58
09-06	Check withdrawal	103919	8,164.05		2,644,316.53
09-06	Check withdrawal	103912	6,550.00		2,637,766.53
09-06	Check withdrawal	103913	6,466.20		2,631,300.33
09-06	Check withdrawal	103902	5,418.01		2,625,882.32
09-06	Check withdrawal	103884	4,732.00		2,621,150.32
09-06	Check withdrawal	103888	4,150.00		2,617,000.32
09-06	Check withdrawal	103927	2,098.43		2,614,901.89
09-06	Check withdrawal	103871	1,746.25		2,613,155.64
09-06	Check withdrawal	103904	1,746.00		2,611,409.64
09-06	Check withdrawal	103878	1,162.70		2,610,246.94
09-06	Check withdrawal	103931	1,111.00		2,609,135.94
09-06	Check withdrawal	103875	1,013.11		2,608,122.83
09-06	Check withdrawal	103899	712.80		2,607,410.03
09-06	Check withdrawal	103873	500.00		2,606,910.03
09-06	Check withdrawal	103876	467.50		2,606,442.53
09-06	Check withdrawal	103890	330.00		2,606,112.53
09-06	Check withdrawal	103930	329.11		2,605,783.42
09-06	Check withdrawal	103882	294.82		2,605,488.60

ROCKY POINT UFSD		
OUTSTANDING CHECK LIST		
AS OF SEPTEMBER 30, 2016		
CHECK#	CHECK DATE	CHECK AMOUNT
103266	5/24/2016	\$6.91
103345	6/1/2016	\$18.85
103564	6/28/2016	\$13,506.80
103688	7/19/2016	\$17.00
103859	8/23/2016	\$140.00
103896	8/30/2016	\$975.00
103901	8/30/2016	\$300.00
103906	8/30/2016	\$2,084.00
103923	8/30/2016	\$200.00
103928	8/30/2016	\$3,915.90
103932	8/30/2016	\$15,810.00
103946	9/7/2016	\$440.03
103952	9/7/2016	\$220.40
103955	9/7/2016	\$500.00
103966	9/7/2016	\$186.00
103974	9/7/2016	\$100.00
103975	9/7/2016	\$500.00
103989	9/7/2016	\$320.00
103994	9/13/2016	\$315.00
104007	9/13/2016	\$196.76
104041	9/13/2016	\$343.21
104060	9/13/2016	\$120.00
104066	9/13/2016	\$120.00
104069	9/20/2016	\$1,494.00
104070	9/20/2016	\$12.31
104079	9/20/2016	\$272.87
104085	9/20/2016	\$50.00
104094	9/20/2016	\$2,084.00
104115	9/20/2016	\$168.00
104123	9/20/2016	\$2,204.34
104124	9/20/2016	\$50.00
104133	9/20/2016	\$200.00
104135	9/20/2016	\$585.62
104141	9/20/2016	\$300.00
104147	9/21/2016	\$75.00
104148	9/21/2016	\$35.00
104149	9/21/2016	\$200.00
104150	9/27/2016	\$7,185.00
104151	9/27/2016	\$500.00
104152	9/27/2016	\$22.08
104153	9/27/2016	\$2,482.48
104154	9/27/2016	\$8,227.07
104155	9/27/2016	\$1,526.13
104156	9/27/2016	\$3,271.89
104157	9/27/2016	\$510.00
104158	9/27/2016	\$279.37
104159	9/27/2016	\$10.41

104160	9/27/2016	\$61.87
104161	9/27/2016	\$6,770.00
104162	9/27/2016	\$310.01
104163	9/27/2016	\$1,158.74
104164	9/27/2016	\$294.26
104165	9/27/2016	\$1,949.00
104166	9/27/2016	\$25.42
104167	9/27/2016	\$46.60
104168	9/27/2016	\$1,819.13
104169	9/27/2016	\$192.42
104170	9/27/2016	\$46.70
104171	9/27/2016	\$59.25
104172	9/27/2016	\$2,434.00
104173	9/27/2016	\$172.00
104174	9/27/2016	\$1,042.08
104175	9/27/2016	\$75.00
104176	9/27/2016	\$26.68
104177	9/27/2016	\$717.54
104178	9/27/2016	\$38,232.00
104179	9/27/2016	\$200.90
104180	9/27/2016	\$1,145.70
104181	9/27/2016	\$750.45
104182	9/27/2016	\$280.20
104183	9/27/2016	\$1,050.00
104184	9/27/2016	\$11,479.29
104185	9/27/2016	\$9,975.00
104186	9/27/2016	\$600.00
104187	9/27/2016	\$17,883.44
104188	9/27/2016	\$47.23
104189	9/27/2016	\$66,718.31
104190	9/27/2016	\$700.00
104191	9/27/2016	\$94.20
104192	9/27/2016	\$180.00
104193	9/27/2016	\$697.00
104194	9/27/2016	\$523.62
104195	9/27/2016	\$124.62
104196	9/27/2016	\$540.00
104197	9/27/2016	\$535.56
104198	9/27/2016	\$106.55
104201	9/27/2016	\$869.15
104202	9/27/2016	\$20.85
104203	9/27/2016	\$16.11
104204	9/27/2016	\$453.00
104205	9/27/2016	\$2,259.00
104206	9/27/2016	\$3,851.00
104207	9/27/2016	\$190.00
104208	9/27/2016	\$29,534.02
104209	9/30/2016	\$36.56
104210	9/30/2016	\$2,638.47
104211	9/30/2016	\$236.10
104212	9/30/2016	\$66.50

104213	9/30/2016	\$74.48	
104214	9/30/2016	\$1,404.76	
104215	9/30/2016	\$2,257.92	
104216	9/30/2016	\$1,822.10	
104217	9/30/2016	\$1,133.72	
104218	9/30/2016	\$90.54	
104219	9/30/2016	\$1,910.80	
104220	9/30/2016	\$206.40	
104221	9/30/2016	\$142.50	
104222	9/30/2016	\$622.80	
104223	9/30/2016	\$125.00	
104224	9/30/2016	\$425.60	
104225	9/30/2016	\$28,638.34	
104226	9/30/2016	\$2,480.09	
104227	9/30/2016	\$279.60	
104228	9/30/2016	\$40.38	
104229	9/30/2016	\$5,317.44	
104230	9/30/2016	\$760.00	
104231	9/30/2016	\$72.10	
104232	9/30/2016	\$110.00	
104233	9/30/2016	\$1,441.58	
104234	9/30/2016	\$19.33	
104235	9/30/2016	\$54.00	
104236	9/30/2016	\$11,470.61	
104237	9/30/2016	\$204.56	
104238	9/30/2016	\$102.00	
104239	9/30/2016	\$200.00	
104240	9/30/2016	\$491.84	
104241	9/30/2016	\$1,287.54	
104242	9/30/2016	\$160.00	
104243	9/30/2016	\$200.00	
104244	9/30/2016	\$45.69	
104245	9/30/2016	\$11.68	
104246	9/30/2016	\$957.10	
104247	9/30/2016	\$10.07	
104248	9/30/2016	\$2,915.95	
104249	9/30/2016	\$6,257.41	
104250	9/30/2016	\$1,964.44	
104251	9/30/2016	\$2,572.56	
104252	9/30/2016	\$3,118.63	
		\$362,716.52	

DETAIL ACCOUNT TRANSACTIONS - A 2010 CAPITAL ONE AP CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	2,333,415.78
09/01/16	1024664			HEALTH, LIFE	CR-23	3,099.02	0.00	2,336,514.80
09/01/16	1024663			HEALTH	CR-23	288.93	0.00	2,336,803.73
09/07/16				* SEE CASH DISBURSEMENT	CD-13	0.00	108,732.05	2,228,071.68
09/09/16	1024666			USE OF SCHOOL FACILITIES/	CR-23	120.00	0.00	2,228,191.68
09/09/16	1024667			METALS	CR-23	196.80	0.00	2,228,388.48
09/13/16	1024671			COMMUNITY ED	CR-23	105.00	0.00	2,228,493.48
09/14/16				* SEE CASH DISBURSEMENT	CD-14	0.00	871,257.11	1,357,236.37
09/15/16	1024668			FUNDING WARRANT #14	CR-23	871,257.11	0.00	2,228,493.48
09/16/16	1024672			DRIVERS ED	CR-23	37,000.00	0.00	2,265,493.48
09/16/16	70			NSF CHECK	JE-32	0.00	55.00	2,265,438.48
09/20/16	1024673			HEALTH, DENTAL, LIFE	CR-23	1,720.84	0.00	2,267,159.32
09/20/16	1024675			ROCKY POINT LIONS CLUB IN	CR-23	240.00	0.00	2,267,399.32
09/21/16	71			NSF CHECK	JE-32	0.00	400.00	2,266,999.32
09/21/16	72			NSF CHECK	JE-32	0.00	400.00	2,266,599.32
09/22/16				* SEE CASH DISBURSEMENT	CD-16	0.00	810,053.02	1,456,546.30
09/23/16	1024685			BOCES 15 16 AID	CR-23	982,657.25	0.00	2,439,203.55
09/27/16	1024687			FUNDING WARRANT #17	CR-23	235,772.11	0.00	2,674,975.66
09/28/16				* SEE CASH DISBURSEMENT	CD-17	0.00	235,772.11	2,439,203.55
09/29/16	1024698			FUNDING WARRANT #16	CR-23	810,053.02	0.00	3,249,256.57
09/30/16				* SEE CASH DISBURSEMENT	CD-19	0.00	84,377.19	3,164,879.38
				TOTALS		2,942,510.08	2,111,046.48	3,164,879.38

Report Completed 10:32 AM

Rocky Point Union Free School District
Treasurer's Report
General Fund - Investment A2011
As of September 30, 2016

Reconciled Balance as of:	8/31/2016		4,518,371.21
Receipts:			
	Interest	<u>258.90</u>	258.90
Disbursements:			<u>0.00</u>
Total available balance per General Ledger as of:	9/30/2016		<u><u>4,518,630.11</u></u>
Bank Balance as of:	9/30/2016		<u><u>4,518,630.11</u></u>

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Hall
Date: 10/7/2016

A2011



JPMorgan Chase Bank, N.A.
Northeast Market
P O Box 659754
San Antonio, TX 78265 - 9754

September 01, 2016 through September 30, 2016

Customer Service Information

If you have any questions about your statement, please contact your Customer Service Professional.

00059922 WBS 802 211 27516 NNNNNNNNNN 1 00000000 C2 0000
ROCKY POINT UFSD
GENERAL FUND MONEY MARKET A/C
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

**Public Funds Commercial MMDA
Summary**

	Number	Market Value/Amount	Shares
Opening Ledger Balance		\$4,518,371.21	
Deposits and Credits	1	\$258.90	
Withdrawals and Debits	0	\$0.00	
Checks Paid	0	\$0.00	
Ending Ledger Balance		\$4,518,630.11	
Average Ledger Balance		\$4,518,379	
Interest Credited This Period		\$258.90	Interest Credited Year-to-Date \$3,118.02
Interest Rate(s):	09/01 to 09/30 at 0.07%		

Deposits and Credits

Ledger Date	Description	Amount
09/30	Interest Payment	\$258.90
Total		\$258.90

Daily Balance

Date	Ledger Balance	Date	Ledger Balance
09/30	\$4,518,630.11		

Your service charges, fees and earnings credit have been calculated through account analysis.

Please examine this statement of account at once. By continuing to use the account, you agree that: (1) the account is subject to the Bank's deposit account agreement, and (2) the Bank has no responsibility for any error in or improper charge to the account (including any unauthorized or altered check) unless you notify us in writing of this error or charge within sixty days of the mailing or availability of the first statement on which the error or charge appears.

DETAIL ACCOUNT TRANSACTIONS - A 2011 CHASE GENERAL FUND MM - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	4,518,371.21
09/30/16	1024696			INTEREST REVENUE	CR-23	258.90	0.00	4,518,630.11
				TOTALS		258.90	0.00	4,518,630.11

Report Completed 9:32 AM

Rocky Point Union Free School District
Treasurer's Report
Cafeteria Checking - C207
As of September 30, 2016

Reconciled Balance as of:	8/31/2016		623,533.59
Receipts:			
	USDA Equipment Grant	2,500.00	
	Cash Deposit	<u>35,495.94</u>	
			37,995.94
Disbursements:			
	NSF Check	30.00	
	Cash Disbursements	<u>40,149.44</u>	
			<u>(40,179.44)</u>
Total available balance per General Ledger as of:	9/30/2016		<u>621,350.09</u>
Bank Balance as of:	9/30/2016		643,418.22
Add:	Deposit in Transit		4,011.10
Less:	Outstanding Checks		<u>26,079.23</u>
Adjusted Bank Balance as of:	9/30/2016		<u>621,350.09</u>

Prepared by: Linda Bilski
Date: 10/14/2016

Reviewed by: Virginia Kelly
Date: 10/14/2016

C207

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
CAFETERIA CHECKING
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

22 ENCLOSURES Page 1 of 7

Govt Banking Blended Chking

Opening balance	09-01-16	625,060.71
+Deposits/Credits	254	34,034.84
-Checks/Debits	23	15,677.33
-Service charge		0.00
Ending balance	09-30-16	643,418.22
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				625,060.71
09-01	Customer Deposit			50.00	625,110.71
09-01	Check withdrawal	10527	725.00		624,385.71
09-02	Check withdrawal	10524	9.40		624,376.31
09-06	Check withdrawal	10528	239.70		624,136.61
09-06	Check withdrawal	10526	63.30		624,073.31
09-06	Check withdrawal	10525	39.72		624,033.59
09-08	Check withdrawal	10523	500.00		623,533.59
09-09	Customer Deposit			2,500.00	626,033.59
09-09	Customer Deposit			740.60	626,774.19
09-09	Customer Deposit			446.60	627,220.79
09-09	Customer Deposit			370.00	627,590.79
09-09	Customer Deposit			349.90	627,940.69
09-09	Customer Deposit			340.00	628,280.69
09-09	Customer Deposit			298.70	628,579.39
09-09	Customer Deposit			268.02	628,847.41
09-09	Customer Deposit			226.95	629,074.36
09-09	Customer Deposit			189.00	629,263.36
09-09	Customer Deposit			188.55	629,451.91
09-09	Customer Deposit			185.00	629,636.91
09-09	Customer Deposit			176.35	629,813.26
09-09	Customer Deposit			115.46	629,928.72
09-09	Customer Deposit			50.00	629,978.72
09-09	Customer Deposit			32.00	630,010.72
09-12	Customer Deposit			638.30	630,649.02
09-12	Customer Deposit			470.00	631,119.02
09-12	Customer Deposit			295.93	631,414.95
09-12	Customer Deposit			285.00	631,699.95

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	623,533.59
09/07/16	1024676			CAFT RECEIPTS	CR-3	189.00	0.00	623,722.59
09/07/16	1024676			CAFT RECEIPTS	CR-3	176.35	0.00	623,898.94
09/07/16	1024676			CAFT RECEIPTS	CR-3	340.00	0.00	624,238.94
09/07/16	1024676			CAFT RECEIPTS	CR-3	298.70	0.00	624,537.64
09/07/16	1024676			CAFT RECEIPTS	CR-3	349.90	0.00	624,887.54
09/07/16	1024676			CAFT RECEIPTS	CR-3	32.00	0.00	624,919.54
09/07/16	1024676			CAFT RECEIPTS	CR-3	226.95	0.00	625,146.49
09/07/16	1024676			CAFT RECEIPTS	CR-3	446.60	0.00	625,593.09
09/07/16	1024676			CAFT RECEIPTS	CR-3	115.46	0.00	625,708.55
09/07/16	1024676			CAFT RECEIPTS	CR-3	185.00	0.00	625,893.55
09/07/16	1024676			CAFT RECEIPTS	CR-3	268.02	0.00	626,161.57
09/07/16	1024676			CAFT RECEIPTS	CR-3	188.55	0.00	626,350.12
09/07/16	1024676			CAFT RECEIPTS	CR-3	50.00	0.00	626,400.12
09/07/16	1024676			CAFT RECEIPTS	CR-3	740.60	0.00	627,140.72
09/07/16	1024676			CAFT RECEIPTS	CR-3	370.00	0.00	627,510.72
09/08/16	1024677			CAFT RECEIPTS	CR-3	128.24	0.00	627,638.96
09/08/16	1024677			CAFT RECEIPTS	CR-3	3.00	0.00	627,641.96
09/08/16	1024677			CAFT RECEIPTS	CR-3	211.88	0.00	627,853.84
09/08/16	1024677			CAFT RECEIPTS	CR-3	68.65	0.00	627,922.49
09/08/16	1024677			CAFT RECEIPTS	CR-3	21.50	0.00	627,943.99
09/08/16	1024677			CAFT RECEIPTS	CR-3	295.93	0.00	628,239.92
09/08/16	1024677			CAFT RECEIPTS	CR-3	205.45	0.00	628,445.37
09/08/16	1024677			CAFT RECEIPTS	CR-3	80.90	0.00	628,526.27
09/08/16	1024677			CAFT RECEIPTS	CR-3	285.00	0.00	628,811.27
09/08/16	1024677			CAFT RECEIPTS	CR-3	66.45	0.00	628,877.72
09/08/16	1024677			CAFT RECEIPTS	CR-3	103.00	0.00	628,980.72
09/08/16	1024677			CAFT RECEIPTS	CR-3	638.30	0.00	629,619.02
09/08/16	1024677			CAFT RECEIPTS	CR-3	470.00	0.00	630,089.02
09/09/16	1024678			CAFT RECEIPTS	CR-3	124.10	0.00	630,213.12
09/09/16	1024678			CAFT RECEIPTS	CR-3	112.95	0.00	630,326.07
09/09/16	1024678			CAFT RECEIPTS	CR-3	87.00	0.00	630,413.07
09/09/16	1024678			CAFT RECEIPTS	CR-3	254.12	0.00	630,667.19
09/09/16	1024678			CAFT RECEIPTS	CR-3	312.25	0.00	630,979.44
09/09/16	1024678			CAFT RECEIPTS	CR-3	38.80	0.00	631,018.24
09/09/16	1024678			CAFT RECEIPTS	CR-3	21.50	0.00	631,039.74
09/09/16	1024678			CAFT RECEIPTS	CR-3	369.95	0.00	631,409.69
09/09/16	1024678			CAFT RECEIPTS	CR-3	249.25	0.00	631,658.94
09/09/16	1024678			CAFT RECEIPTS	CR-3	88.40	0.00	631,747.34
09/09/16	1024678			CAFT RECEIPTS	CR-3	1.63	0.00	631,748.97
09/09/16	1024678			CAFT RECEIPTS	CR-3	274.00	0.00	632,022.97
09/09/16	1024678			CAFT RECEIPTS	CR-3	521.45	0.00	632,544.42

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/09/16	1024678			CAFT RECEIPTS	CR-3	151.50	0.00	632,864.42
09/09/16	1024678			CAFT RECEIPTS	CR-3	177.00	0.00	633,041.42
09/09/16	1024678			CAFT RECEIPTS	CR-3	207.10	0.00	633,248.52
09/12/16	68			NSF CHECK	JE-32	0.00	30.00	633,218.52
09/12/16	1024680			CAFT RECEIPTS	CR-3	56.85	0.00	633,275.37
09/12/16	1024680			CAFT RECEIPTS	CR-3	26.00	0.00	633,301.37
09/12/16	1024680			CAFT RECEIPTS	CR-3	51.55	0.00	633,352.92
09/12/16	1024680			CAFT RECEIPTS	CR-3	42.65	0.00	633,395.57
09/12/16	1024680			CAFT RECEIPTS	CR-3	103.35	0.00	633,498.92
09/12/16	1024680			CAFT RECEIPTS	CR-3	2.00	0.00	633,500.92
09/12/16	1024680			CAFT RECEIPTS	CR-3	115.35	0.00	633,616.27
09/12/16	1024680			CAFT RECEIPTS	CR-3	249.95	0.00	633,866.22
09/12/16	1024680			CAFT RECEIPTS	CR-3	41.20	0.00	633,907.42
09/12/16	1024680			CAFT RECEIPTS	CR-3	5.63	0.00	633,913.05
09/12/16	1024680			CAFT RECEIPTS	CR-3	78.90	0.00	633,991.95
09/12/16	1024680			CAFT RECEIPTS	CR-3	119.39	0.00	634,111.34
09/12/16	1024680			CAFT RECEIPTS	CR-3	99.05	0.00	634,210.39
09/12/16	1024680			CAFT RECEIPTS	CR-3	8.00	0.00	634,218.39
09/12/16	1024680			CAFT RECEIPTS	CR-3	137.90	0.00	634,356.29
09/12/16	1024680			CAFT RECEIPTS	CR-3	160.25	0.00	634,516.54
09/13/16	1024681			CAFT RECEIPTS	CR-3	96.05	0.00	634,612.59
09/13/16	1024681			CAFT RECEIPTS	CR-3	34.15	0.00	634,646.74
09/13/16	1024681			CAFT RECEIPTS	CR-3	30.00	0.00	634,676.74
09/13/16	1024681			CAFT RECEIPTS	CR-3	90.51	0.00	634,767.25
09/13/16	1024681			CAFT RECEIPTS	CR-3	62.53	0.00	634,829.78
09/13/16	1024681			CAFT RECEIPTS	CR-3	14.50	0.00	634,844.28
09/13/16	1024681			CAFT RECEIPTS	CR-3	74.05	0.00	634,918.33
09/13/16	1024681			CAFT RECEIPTS	CR-3	249.35	0.00	635,167.68
09/13/16	1024681			CAFT RECEIPTS	CR-3	41.35	0.00	635,209.03
09/13/16	1024681			CAFT RECEIPTS	CR-3	92.30	0.00	635,301.33
09/13/16	1024681			CAFT RECEIPTS	CR-3	41.25	0.00	635,342.58
09/13/16	1024681			CAFT RECEIPTS	CR-3	448.50	0.00	635,791.08
09/13/16	1024681			CAFT RECEIPTS	CR-3	87.75	0.00	635,878.83
09/13/16	1024681			CAFT RECEIPTS	CR-3	5.00	0.00	635,883.83
09/13/16	1024681			CAFT RECEIPTS	CR-3	274.70	0.00	636,158.53
09/13/16	1024681			CAFT RECEIPTS	CR-3	176.05	0.00	636,334.58
09/14/16	1024682			CAFT RECEIPTS	CR-3	189.75	0.00	636,524.33
09/14/16				* SEE CASH DISBURSEMENT	CD-6	0.00	14,070.21	622,454.12
09/14/16	1024682			CAFT RECEIPTS	CR-3	161.53	0.00	622,615.65
09/14/16	1024682			CAFT RECEIPTS	CR-3	1.25	0.00	622,616.90
09/14/16	1024682			CAFT RECEIPTS	CR-3	55.60	0.00	622,672.50
09/14/16	1024682			CAFT RECEIPTS	CR-3	85.60	0.00	622,758.10

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/14/16	1024682			CAFT RECEIPTS	CR-3	85.50	0.00	622,869.10
09/14/16	1024682			CAFT RECEIPTS	CR-3	234.25	0.00	623,103.35
09/14/16	1024682			CAFT RECEIPTS	CR-3	36.60	0.00	623,139.95
09/14/16	1024682			CAFT RECEIPTS	CR-3	37.55	0.00	623,177.50
09/14/16	1024682			CAFT RECEIPTS	CR-3	14.75	0.00	623,192.25
09/14/16	1024682			CAFT RECEIPTS	CR-3	129.60	0.00	623,321.85
09/14/16	1024682			CAFT RECEIPTS	CR-3	4.50	0.00	623,326.35
09/14/16	1024682			CAFT RECEIPTS	CR-3	85.00	0.00	623,411.35
09/14/16	1024682			CAFT RECEIPTS	CR-3	257.60	0.00	623,668.95
09/15/16	1024683			CAFT RECEIPTS	CR-3	30.12	0.00	623,699.07
09/15/16	1024683			CAFT RECEIPTS	CR-3	125.00	0.00	623,824.07
09/15/16	1024683			CAFT RECEIPTS	CR-3	130.30	0.00	623,954.37
09/15/16	1024683			CAFT RECEIPTS	CR-3	24.50	0.00	623,978.87
09/15/16	1024683			CAFT RECEIPTS	CR-3	362.00	0.00	624,340.87
09/15/16	1024683			CAFT RECEIPTS	CR-3	49.15	0.00	624,390.02
09/15/16	1024683			CAFT RECEIPTS	CR-3	51.47	0.00	624,441.49
09/15/16	1024683			CAFT RECEIPTS	CR-3	5.00	0.00	624,446.49
09/15/16	1024683			CAFT RECEIPTS	CR-3	66.90	0.00	624,513.39
09/15/16	1024683			CAFT RECEIPTS	CR-3	74.50	0.00	624,587.89
09/15/16	1024683			CAFT RECEIPTS	CR-3	51.25	0.00	624,639.14
09/15/16	1024683			CAFT RECEIPTS	CR-3	92.75	0.00	624,731.89
09/15/16	1024683			CAFT RECEIPTS	CR-3	134.50	0.00	624,866.39
09/15/16	1024683			CAFT RECEIPTS	CR-3	61.80	0.00	624,928.19
09/15/16	1024683			CAFT RECEIPTS	CR-3	287.05	0.00	625,215.24
09/15/16	1024683			CAFT RECEIPTS	CR-3	1.00	0.00	625,216.24
09/15/16	1024683			CAFT RECEIPTS	CR-3	162.00	0.00	625,378.24
09/16/16	1024684			CAFT RECEIPTS	CR-3	53.20	0.00	625,431.44
09/16/16	1024684			CAFT RECEIPTS	CR-3	147.25	0.00	625,578.69
09/16/16	1024684			CAFT RECEIPTS	CR-3	110.00	0.00	625,688.69
09/16/16	1024684			CAFT RECEIPTS	CR-3	47.75	0.00	625,736.44
09/16/16	1024684			CAFT RECEIPTS	CR-3	78.10	0.00	625,814.54
09/16/16	1024684			CAFT RECEIPTS	CR-3	178.15	0.00	625,992.69
09/16/16	1024684			CAFT RECEIPTS	CR-3	27.63	0.00	626,020.32
09/16/16	1024684			CAFT RECEIPTS	CR-3	101.75	0.00	626,122.07
09/16/16	1024684			CAFT RECEIPTS	CR-3	265.00	0.00	626,387.07
09/16/16	1024684			CAFT RECEIPTS	CR-3	71.60	0.00	626,458.67
09/16/16	1024684			CAFT RECEIPTS	CR-3	70.00	0.00	626,528.67
09/16/16	1024684			CAFT RECEIPTS	CR-3	80.05	0.00	626,608.72
09/16/16	1024684			CAFT RECEIPTS	CR-3	147.20	0.00	626,755.92
09/16/16	1024684			CAFT RECEIPTS	CR-3	150.50	0.00	626,906.42
09/16/16	1024684			CAFT RECEIPTS	CR-3	153.85	0.00	627,060.27
09/16/16	1024684			CAFT RECEIPTS	CR-3	166.65	0.00	627,226.92

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/19/16	1024713			CAFT RECEIPTS	CR-3	43.35	0.00	627,271.27
09/19/16	1024713			CAFT RECEIPTS	CR-3	107.63	0.00	627,378.90
09/19/16	1024713			CAFT RECEIPTS	CR-3	65.00	0.00	627,443.90
09/19/16	1024713			CAFT RECEIPTS	CR-3	38.40	0.00	627,482.30
09/19/16	1024713			CAFT RECEIPTS	CR-3	248.65	0.00	627,730.95
09/19/16	1024713			CAFT RECEIPTS	CR-3	102.50	0.00	627,833.45
09/19/16	1024713			CAFT RECEIPTS	CR-3	36.75	0.00	627,870.20
09/19/16	1024713			CAFT RECEIPTS	CR-3	38.35	0.00	627,908.55
09/19/16	1024713			CAFT RECEIPTS	CR-3	48.40	0.00	627,956.95
09/19/16	1024713			CAFT RECEIPTS	CR-3	31.25	0.00	627,988.20
09/19/16	1024713			CAFT RECEIPTS	CR-3	104.00	0.00	628,092.20
09/19/16	1024713			CAFT RECEIPTS	CR-3	1.30	0.00	628,093.50
09/19/16	1024713			CAFT RECEIPTS	CR-3	78.50	0.00	628,172.00
09/19/16	1024713			CAFT RECEIPTS	CR-3	237.50	0.00	628,409.50
09/20/16	1024714			CAFT RECEIPTS	CR-3	67.80	0.00	628,477.30
09/20/16	1024714			CAFT RECEIPTS	CR-3	78.40	0.00	628,555.70
09/20/16	1024714			CAFT RECEIPTS	CR-3	3.00	0.00	628,558.70
09/20/16	1024714			CAFT RECEIPTS	CR-3	115.19	0.00	628,673.89
09/20/16	1024714			CAFT RECEIPTS	CR-3	101.35	0.00	628,775.24
09/20/16	1024714			CAFT RECEIPTS	CR-3	26.25	0.00	628,801.49
09/20/16	1024714			CAFT RECEIPTS	CR-3	173.63	0.00	628,975.12
09/20/16	1024714			CAFT RECEIPTS	CR-3	146.70	0.00	629,121.82
09/20/16	1024714			CAFT RECEIPTS	CR-3	81.71	0.00	629,203.53
09/20/16	1024714			CAFT RECEIPTS	CR-3	53.63	0.00	629,257.16
09/20/16	1024714			CAFT RECEIPTS	CR-3	33.80	0.00	629,290.96
09/20/16	1024714			CAFT RECEIPTS	CR-3	45.25	0.00	629,336.21
09/20/16	1024714			CAFT RECEIPTS	CR-3	639.40	0.00	629,975.61
09/20/16	1024714			CAFT RECEIPTS	CR-3	53.65	0.00	630,029.26
09/20/16	1024714			CAFT RECEIPTS	CR-3	10.00	0.00	630,039.26
09/20/16	1024714			CAFT RECEIPTS	CR-3	257.35	0.00	630,296.61
09/20/16	1024714			CAFT RECEIPTS	CR-3	209.50	0.00	630,506.11
09/21/16	1024715			CAFT RECEIPTS	CR-3	77.65	0.00	630,583.76
09/21/16	1024715			CAFT RECEIPTS	CR-3	54.80	0.00	630,638.56
09/21/16	1024715			CAFT RECEIPTS	CR-3	27.75	0.00	630,666.31
09/21/16	1024715			CAFT RECEIPTS	CR-3	200.03	0.00	630,866.34
09/21/16	1024715			CAFT RECEIPTS	CR-3	65.96	0.00	630,932.30
09/21/16	1024715			CAFT RECEIPTS	CR-3	11.50	0.00	630,943.80
09/21/16	1024715			CAFT RECEIPTS	CR-3	101.50	0.00	631,045.30
09/21/16	1024715			CAFT RECEIPTS	CR-3	196.30	0.00	631,241.60
09/21/16	1024715			CAFT RECEIPTS	CR-3	58.60	0.00	631,300.20
09/21/16	1024715			CAFT RECEIPTS	CR-3	95.10	0.00	631,395.30
09/21/16	1024715			CAFT RECEIPTS	CR-3	35.15	0.00	631,430.45

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/21/16	1024715			CAFT RECEIPTS	CR-3	28.50	0.00	631,585.15
09/21/16	1024715			CAFT RECEIPTS	CR-3	245.05	0.00	631,830.20
09/21/16	1024715			CAFT RECEIPTS	CR-3	194.20	0.00	632,024.40
09/22/16	1024716			CAFT RECEIPTS	CR-3	58.16	0.00	632,082.56
09/22/16	1024716			CAFT RECEIPTS	CR-3	109.45	0.00	632,192.01
09/22/16	1024716			CAFT RECEIPTS	CR-3	38.63	0.00	632,230.64
09/22/16	1024716			CAFT RECEIPTS	CR-3	184.15	0.00	632,414.79
09/22/16	1024716			CAFT RECEIPTS	CR-3	331.50	0.00	632,746.29
09/22/16	1024716			CAFT RECEIPTS	CR-3	105.23	0.00	632,851.52
09/22/16	1024716			CAFT RECEIPTS	CR-3	33.50	0.00	632,885.02
09/22/16	1024716			CAFT RECEIPTS	CR-3	71.50	0.00	632,956.52
09/22/16	1024716			CAFT RECEIPTS	CR-3	189.60	0.00	633,146.12
09/22/16	1024716			CAFT RECEIPTS	CR-3	89.83	0.00	633,235.95
09/22/16	1024716			CAFT RECEIPTS	CR-3	1.50	0.00	633,237.45
09/22/16	1024716			CAFT RECEIPTS	CR-3	56.15	0.00	633,293.60
09/22/16	1024716			CAFT RECEIPTS	CR-3	7.25	0.00	633,300.85
09/22/16	1024716			CAFT RECEIPTS	CR-3	81.90	0.00	633,382.75
09/22/16	1024716			CAFT RECEIPTS	CR-3	30.00	0.00	633,412.75
09/22/16	1024716			CAFT RECEIPTS	CR-3	209.80	0.00	633,622.55
09/22/16	1024716			CAFT RECEIPTS	CR-3	140.75	0.00	633,763.30
09/23/16	1024717			CAFT RECEIPTS	CR-3	196.75	0.00	633,960.05
09/23/16	1024717			CAFT RECEIPTS	CR-3	93.80	0.00	634,053.85
09/23/16	1024717			CAFT RECEIPTS	CR-3	79.80	0.00	634,133.65
09/23/16	1024717			CAFT RECEIPTS	CR-3	57.70	0.00	634,191.35
09/23/16	1024717			CAFT RECEIPTS	CR-3	667.60	0.00	634,858.95
09/23/16	1024717			CAFT RECEIPTS	CR-3	148.00	0.00	635,006.95
09/23/16	1024717			CAFT RECEIPTS	CR-3	1.00	0.00	635,007.95
09/23/16	1024717			CAFT RECEIPTS	CR-3	107.85	0.00	635,115.80
09/23/16	1024717			CAFT RECEIPTS	CR-3	213.65	0.00	635,329.45
09/23/16	1024717			CAFT RECEIPTS	CR-3	96.45	0.00	635,425.90
09/23/16	1024717			CAFT RECEIPTS	CR-3	10.25	0.00	635,436.15
09/23/16	1024717			CAFT RECEIPTS	CR-3	102.15	0.00	635,538.30
09/23/16	1024717			CAFT RECEIPTS	CR-3	95.05	0.00	635,633.35
09/23/16	1024717			CAFT RECEIPTS	CR-3	27.25	0.00	635,660.60
09/23/16	1024717			CAFT RECEIPTS	CR-3	114.70	0.00	635,775.30
09/26/16	1024718			CAFT RECEIPTS	CR-3	94.75	0.00	635,870.05
09/26/16	1024718			CAFT RECEIPTS	CR-3	156.60	0.00	636,026.65
09/26/16	1024718			CAFT RECEIPTS	CR-3	3.30	0.00	636,029.95
09/26/16	1024718			CAFT RECEIPTS	CR-3	88.08	0.00	636,118.03
09/26/16	1024718			CAFT RECEIPTS	CR-3	96.25	0.00	636,214.28
09/26/16	1024718			CAFT RECEIPTS	CR-3	46.50	0.00	636,260.78
09/26/16	1024718			CAFT RECEIPTS	CR-3	83.10	0.00	636,343.88

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/26/16	1024718			CAFT RECEIPTS	CR-3	64.22	0.00	636,502.38
09/26/16	1024718			CAFT RECEIPTS	CR-3	187.00	0.00	636,689.38
09/26/16	1024718			CAFT RECEIPTS	CR-3	35.55	0.00	636,724.93
09/26/16	1024718			CAFT RECEIPTS	CR-3	56.55	0.00	636,781.48
09/26/16	1024718			CAFT RECEIPTS	CR-3	3.25	0.00	636,784.73
09/26/16	1024718			CAFT RECEIPTS	CR-3	256.15	0.00	637,040.88
09/26/16	1024718			CAFT RECEIPTS	CR-3	256.20	0.00	637,297.08
09/27/16	1024719			CAFT RECEIPTS	CR-3	36.35	0.00	637,333.43
09/27/16	1024719			CAFT RECEIPTS	CR-3	127.40	0.00	637,460.83
09/27/16	1024719			CAFT RECEIPTS	CR-3	32.00	0.00	637,492.83
09/27/16	1024719			CAFT RECEIPTS	CR-3	77.85	0.00	637,570.68
09/27/16	1024719			CAFT RECEIPTS	CR-3	235.50	0.00	637,806.18
09/27/16	1024719			CAFT RECEIPTS	CR-3	98.15	0.00	637,904.33
09/27/16	1024719			CAFT RECEIPTS	CR-3	10.00	0.00	637,914.33
09/27/16	1024719			CAFT RECEIPTS	CR-3	175.01	0.00	638,089.34
09/27/16	1024719			CAFT RECEIPTS	CR-3	233.95	0.00	638,323.29
09/27/16	1024719			CAFT RECEIPTS	CR-3	56.37	0.00	638,379.66
09/27/16	1024719			CAFT RECEIPTS	CR-3	102.75	0.00	638,482.41
09/27/16	1024719			CAFT RECEIPTS	CR-3	73.00	0.00	638,555.41
09/27/16	1024719			CAFT RECEIPTS	CR-3	365.00	0.00	638,920.41
09/27/16	1024719			CAFT RECEIPTS	CR-3	78.95	0.00	638,999.36
09/27/16	1024719			CAFT RECEIPTS	CR-3	7.00	0.00	639,006.36
09/27/16	1024719			CAFT RECEIPTS	CR-3	273.55	0.00	639,279.91
09/27/16	1024719			CAFT RECEIPTS	CR-3	186.85	0.00	639,466.76
09/28/16	1024720			CAFT RECEIPTS	CR-3	49.35	0.00	639,516.11
09/28/16	1024720			CAFT RECEIPTS	CR-3	15.50	0.00	639,531.61
09/28/16	1024720			CAFT RECEIPTS	CR-3	73.95	0.00	639,605.56
09/28/16	1024720			CAFT RECEIPTS	CR-3	147.95	0.00	639,753.51
09/28/16	1024720			CAFT RECEIPTS	CR-3	102.28	0.00	639,855.79
09/28/16	1024720			CAFT RECEIPTS	CR-3	184.50	0.00	640,040.29
09/28/16	1024720			CAFT RECEIPTS	CR-3	78.20	0.00	640,118.49
09/28/16	1024720			CAFT RECEIPTS	CR-3	140.55	0.00	640,259.04
09/28/16	1024720			CAFT RECEIPTS	CR-3	32.62	0.00	640,291.66
09/28/16	1024720			CAFT RECEIPTS	CR-3	24.15	0.00	640,315.81
09/28/16	1024720			CAFT RECEIPTS	CR-3	47.00	0.00	640,362.81
09/28/16	1024720			CAFT RECEIPTS	CR-3	88.31	0.00	640,451.12
09/28/16	1024720			CAFT RECEIPTS	CR-3	22.00	0.00	640,473.12
09/28/16	1024720			CAFT RECEIPTS	CR-3	248.20	0.00	640,721.32
09/28/16	1024720			CAFT RECEIPTS	CR-3	196.90	0.00	640,918.22
09/29/16	1024721			CAFT RECEIPTS	CR-3	33.30	0.00	640,951.52
09/29/16	1024721			CAFT RECEIPTS	CR-3	104.05	0.00	641,055.57
09/29/16	1024721			CAFT RECEIPTS	CR-3	61.44	0.00	641,117.01

DETAIL ACCOUNT TRANSACTIONS - C 207 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/29/16	1024721			CAFT RECEIPTS	CR-3	46.70	0.00	641,185.91
09/29/16	1024721			CAFT RECEIPTS	CR-3	53.50	0.00	641,239.41
09/29/16	1024721			CAFT RECEIPTS	CR-3	129.90	0.00	641,369.31
09/29/16	1024721			CAFT RECEIPTS	CR-3	125.50	0.00	641,494.81
09/29/16	1024721			CAFT RECEIPTS	CR-3	194.10	0.00	641,688.91
09/29/16	1024721			CAFT RECEIPTS	CR-3	41.19	0.00	641,730.10
09/29/16	1024721			CAFT RECEIPTS	CR-3	161.15	0.00	641,891.25
09/29/16	1024721			CAFT RECEIPTS	CR-3	41.00	0.00	641,932.25
09/29/16	1024721			CAFT RECEIPTS	CR-3	99.15	0.00	642,031.40
09/29/16	1024721			CAFT RECEIPTS	CR-3	4.00	0.00	642,035.40
09/29/16	1024721			CAFT RECEIPTS	CR-3	291.30	0.00	642,326.70
09/29/16	1024721			CAFT RECEIPTS	CR-3	191.40	0.00	642,518.10
09/30/16	1024674			SCHOOL NUTRITION EUIPME	CR-3	2,500.00	0.00	645,018.10
09/30/16				* SEE CASH DISBURSEMENT	CD-7	0.00	26,079.23	618,938.87
09/30/16	1024722			CAFT RECEIPTS	CR-3	88.50	0.00	619,027.37
09/30/16	1024722			CAFT RECEIPTS	CR-3	133.04	0.00	619,160.41
09/30/16	1024722			CAFT RECEIPTS	CR-3	179.92	0.00	619,340.33
09/30/16	1024722			CAFT RECEIPTS	CR-3	68.15	0.00	619,408.48
09/30/16	1024722			CAFT RECEIPTS	CR-3	49.50	0.00	619,457.98
09/30/16	1024722			CAFT RECEIPTS	CR-3	108.36	0.00	619,566.34
09/30/16	1024722			CAFT RECEIPTS	CR-3	170.50	0.00	619,736.84
09/30/16	1024722			CAFT RECEIPTS	CR-3	138.05	0.00	619,874.89
09/30/16	1024722			CAFT RECEIPTS	CR-3	189.80	0.00	620,064.69
09/30/16	1024722			CAFT RECEIPTS	CR-3	144.75	0.00	620,209.44
09/30/16	1024722			CAFT RECEIPTS	CR-3	477.75	0.00	620,687.19
09/30/16	1024722			CAFT RECEIPTS	CR-3	242.55	0.00	620,929.74
09/30/16	1024722			CAFT RECEIPTS	CR-3	92.40	0.00	621,022.14
09/30/16	1024722			CAFT RECEIPTS	CR-3	53.70	0.00	621,075.84
09/30/16	1024722			CAFT RECEIPTS	CR-3	274.25	0.00	621,350.09
TOTALS						37,995.94	40,179.44	621,350.09

Report Completed 12:26 PM

Bank Reconciliation Outstanding Checks Listing as of 09/30/16

CHECK#	ISSUE DATE	PAYEE	AMOUNT	CLEARED	CLEAR DATE
10545	09/30/16	AMERICAN CLASSIC SPECIALT	974.41	N	
10546	09/30/16	APPCO PAPER & PLASTICS CO	1,158.80	N	
10547	09/30/16	BIG GEYSER INC	367.70	N	
10548	09/30/16	CALICO INDUSTRIES	16.68	N	
10549	09/30/16	COOKIES & MORE	3,074.29	N	
10551	09/30/16	CREAM-O-LAND DAIRIES LLC	1,899.81	N	
10552	09/30/16	EYE RICHARD	6.65	N	
10553	09/30/16	JAY BEE DISTRIBUTORS	1,788.98	N	
10554	09/30/16	MIVILA FOODS OF NY	1,980.41	N	
10555	09/30/16	MODERN ITALIAN BAKERY	972.35	N	
10556	09/30/16	NARDONE BROS BAKING CO	93.66	N	
10557	09/30/16	PIERRE FOODS, INC	888.23	N	
10558	09/30/16	PROCOLD EAST	193.05	N	
10559	09/30/16	RICH PRODUCTS CORPORATION	942.15	N	
10561	09/30/16	SCHRIER, H. & CO.	6,682.77	N	
10562	09/30/16	SNAPPLE DISTRIBUTORS OF L	977.23	N	
10563	09/30/16	T.A. MORRIS SONS INC.	4,062.06	N	
GRAND TOTAL			26,079.23		
TOTAL CHECKS			17		

Report Completed 1:00 PM

Rocky Point Union Free School District
Treasurer's Report
Cafeteria Fund ACH C208
As of September 30, 2016

Reconciled Balance as of:	8/31/2016		801,261.61
Receipts:			
	Café ACH Deposits	31,414.54	
	Interest	<u>33.27</u>	
			31,447.81
Disbursements:			<u>0.00</u>
Total available balance per General Ledger as of:	9/30/2016		<u>832,709.42</u>
Bank Balance as of:	9/30/2016		831,344.42
Add: Deposits in Transit			<u>1,365.00</u>
Adjusted Bank Balance as of:	9/30/2016		<u>832,709.42</u>

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Ho Ung
Date: 10/7/2016

C208



JPMorgan Chase Bank, N.A.
Northeast Market
P O Box 659754
San Antonio, TX 78265 - 9754

September 01, 2016 through September 30, 2016

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.



00027244 DDA 802 212 27516 NNNNNNNNNN 1 000000000 C1 0000

ROCKY POINT UFSD
SCHOOL LUNCH ACH
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423



CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$801,171.61
Deposits and Additions	53	30,172.81
Ending Balance	53	\$831,344.42

Annual Percentage Yield Earned This Period	0.05%
Interest Paid This Period	\$33.27
Interest Paid Year-to-Date	\$280.78

Your account ending in is linked to this account for overdraft protection.

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
09/01	Orig CO Name:Hrtland Pmt Sys Orig ID:Wfbehps001 Desc Date: CO Entry Descr:Txns/Fees Sec:CCD Trace#:091000011158584 Eed:160901 Ind ID:650000007830113 Ind Name:Rocky Point Ufsd Trn: 2451158584Tc	\$90.00
09/02	Orig CO Name:Hrtland Pmt Sys Orig ID:Wfbehps001 Desc Date: CO Entry Descr:Txns/Fees Sec:CCD Trace#:091000016667836 Eed:160902 Ind ID:650000007830113 Ind Name:Rocky Point Ufsd Trn: 2456667836Tc	25.00
09/06	Orig CO Name:Hrtland Pmt Sys Orig ID:Wfbehps001 Desc Date: CO Entry Descr:Txns/Fees Sec:CCD Trace#:091000012781667 Eed:160906 Ind ID:650000007830113 Ind Name:Rocky Point Ufsd Trn: 2502781667Tc	1,020.00
09/06	Orig CO Name:Hrtland Pmt Sys Orig ID:Wfbehps001 Desc Date: CO Entry Descr:Txns/Fees Sec:CCD Trace#:091000012781671 Eed:160906 Ind ID:650000007830113 Ind Name:Rocky Point Ufsd Trn: 2502781671Tc	600.00
09/06	Orig CO Name:Hrtland Pmt Sys Orig ID:Wfbehps001 Desc Date: CO Entry Descr:Txns/Fees Sec:CCD Trace#:091000012781673 Eed:160906 Ind ID:650000007830113 Ind Name:Rocky Point Ufsd Trn: 2502781673Tc	360.00

DETAIL ACCOUNT TRANSACTIONS - C 208 CHASE ACH REVENUE - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	801,261.61
09/30/16	1024702			RPMS ACH	CR-23	8,270.50	0.00	809,532.11
09/30/16	1024699			FJC ACH	CR-23	8,446.20	0.00	817,978.31
09/30/16	1024700			JAE ACH	CR-23	8,266.39	0.00	826,244.70
09/30/16	1024701			RPHS ACH	CR-23	6,431.45	0.00	832,676.15
09/30/16	1024697			INTEREST REVENUE	CR-23	33.27	0.00	832,709.42
				TOTALS		31,447.81	0.00	832,709.42

Report Completed 1:07 PM

Rocky Point Union Free School District
Treasurer's Report
Federal Fund Checking - F205
As of September 30, 2016

Reconciled Balance as of:	8/31/2016	194,317.46
Receipts:		0.00
Disbursements:		
	Cash Disbursements	<u>12,354.24</u>
		<u>(12,354.24)</u>
Total available balance per General Ledger as of:	9/30/2016	<u>181,963.22</u>
Bank Balance as of:	9/30/2016	182,939.06
Less:	Outstanding Checks	<u>975.84</u>
Adjusted Bank Balance as of:	9/30/2016	<u>181,963.22</u>

Prepared by: Linda Bielcki
Date: 10/7/2016

Reviewed by: Virginia Holway
Date: 10/7/2016

F205

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
FEDERAL CHECKING
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

3 ENCLOSURES Page 1 of 1

Govt Banking Blended Chking

Opening balance	09-01-16	195,907.46
+Deposits/Credits	0	0.00
-Checks/Debits	3	12,968.40
-Service charge		0.00
Ending balance	09-30-16	182,939.06
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				195,907.46
09-09	Check withdrawal	4243	1,590.00		194,317.46
09-19	Check withdrawal	4244	3,311.00		191,006.46
09-26	Check withdrawal	4245	8,067.40		182,939.06
	Ending balance				182,939.06

CHECKS PAID DURING STATEMENT PERIOD

Date	Check No.	Amount	Date	Check No.	Amount
09-09	4243	1,590.00	09-19	4244	3,311.00
09-26	4245	8,067.40			

END OF STATEMENT

Bank Reconciliation Outstanding Checks Listing as of 09/30/16

CHECK#	ISSUE DATE	PAYEE	AMOUNT	CLEARED	CLEAR DATE
4246	09/27/16	HYATT CORP, AS AGENT OF H	975.84	N	
		GRAND TOTAL	975.84		
		TOTAL CHECKS	1		

Report Completed 11:46 AM

DETAIL ACCOUNT TRANSACTIONS - F 205 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	194,317.46
09/14/16				* SEE CASH DISBURSEMENT	CD-4	0.00	3,311.00	191,006.46
09/21/16				* SEE CASH DISBURSEMENT	CD-5	0.00	8,067.40	182,939.06
09/28/16				* SEE CASH DISBURSEMENT	CD-6	0.00	975.84	181,963.22
				TOTALS		0.00	12,354.24	181,963.22

Report Completed 9:33 AM

Rocky Point Union Free School District
Treasurer's Report
Capital Fund Checking - H205
As of September 30, 2016

Reconciled Balance as of:	8/31/2016	82,843.48
Receipts:		0.00
Disbursements:	<u>9,131.70</u>	<u>(9,131.70)</u>
Total available balance per General Ledger as of:	9/30/2016	<u><u>73,711.78</u></u>
Bank Balance as of:	9/30/2016	<u><u>73,711.78</u></u> -

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Holloway
Date: 10/7/2016

H205

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
CAPITAL FUND CHECKING
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

1 ENCLOSURES Page 1 of 1

Govt Banking Blended Chking

Opening balance	09-01-16	82,843.48
+Deposits/Credits	0	0.00
-Checks/Debits	1	9,131.70
-Service charge		0.00
Ending balance	09-30-16	73,711.78
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				82,843.48
09-22	Check withdrawal	895	9,131.70		73,711.78
	Ending balance				73,711.78

CHECKS PAID DURING STATEMENT PERIOD

Date	Check No.	Amount	Date	Check No.	Amount
09-22	895	9,131.70			
END OF STATEMENT					

DETAIL ACCOUNT TRANSACTIONS - H 205 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	82,843.48
09/07/16				* SEE CASH DISBURSEMENT	CD-2	0.00	9,131.70	73,711.78
				TOTALS		0.00	9,131.70	73,711.78

Report Completed 9:33 AM

Rocky Point Union Free School District
Treasurer's Report
Trust and Agency Checking - T204
As of September 30, 2016

Reconciled Balance as of:	8/31/2016	3,474,578.29
Receipts:		
	Void Check	118.37
	Funding Transfers	<u>1,277,092.32</u>
		1,277,210.69
Disbursements:		
	ERS	6,905.32
	Cash Disbursements	<u>1,267,226.97</u>
		<u>(1,274,132.29)</u>
Total available balance per General Ledger as of:	9/30/2016	<u><u>3,477,656.69</u></u>
Bank Balance as of:	9/30/2016	3,504,428.79
Less:	Outstanding Checks	<u>26,772.10</u>
Adjusted Bank Balance as of :	9/30/2016	<u><u>3,477,656.69</u></u>

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Holway
Date: 10/11/2016

T204

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
TRUST AND AGENCY ACCOUNT
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

9 ENCLOSURES Page 1 of 2

Govt Banking Blended Chking

Opening balance	09-01-16	3,479,574.24
+Deposits/Credits	2	1,277,092.32
-Checks/Debits	19	1,252,237.77
-Service charge		0.00
Ending balance	09-30-16	3,504,428.79
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				3,479,574.24
09-02	wire transfer withdrawal The OMNI Group		19,854.74		3,459,719.50
	090216 160902054941H400				
09-02	ACH withdrawal IRS USATAXPYMT		98,702.20		3,361,017.30
	090216 ROCKY POINT SCHOOL DIS 0276				
09-02	ACH withdrawal NYS DTF PROMP WT Tax Paymnt		16,950.91		3,344,066.39
	090216 ROCKY POINT UFSD 0102				
09-07	Check withdrawal	11196	4,012.28		3,340,054.11
09-07	Check withdrawal	11197	364.65		3,339,689.46
09-08	ACH withdrawal 9102716322 CONS COLL		6,905.32		3,332,784.14
	090816 ROCKY POINT UF	74728-010			
09-15	Book transfer credit			650,163.18	3,982,947.32
09-16	wire transfer withdrawal The OMNI Group		96,634.66		3,886,312.66
	091616 160916054941H400				
09-16	ACH withdrawal IRS USATAXPYMT		398,845.97		3,487,466.69
	091616 ROCKY POINT SCHOOL DIS 4739				
09-16	ACH withdrawal NYS DTF PROMP WT Tax Paymnt		67,890.87		3,419,575.82
	091616 ROCKY POINT UFSD 2739				
09-16	Check withdrawal	11191	252.74		3,419,323.08
09-20	Check withdrawal	11203	3,618.05		3,415,705.03

Bank Reconciliation Outstanding Checks Listing as of 09/30/16

CHECK#	ISSUE DATE	PAYEE	AMOUNT	CLEARED	CLEAR DATE
11198	09/01/16	SHERIFF OF SUFFOLK COUNTY	144.52	N	
11199	09/01/16	SHERIFF OF SUFFOLK COUNTY	114.08	N	
11204	09/16/16	SHERIFF OF SUFFOLK COUNTY	274.96	N	
11205	09/16/16	VOTE COPE	291.25	N	
11206	09/27/16	J.J. STANIS AND COMPANY,	339.00	N	
11207	09/29/16	N.Y.S.TEACHERS RETIRE.SYS	18,433.00	N	
11208	09/29/16	NYS CHILD SUPPORT PROCESS	631.61	N	
11209	09/29/16	NYS HIGHER EDU SERVICES C	52.28	N	
11210	09/29/16	NYSUT MEMBER BENEFITS TRU	836.18	N	
11211	09/29/16	PERFORMANT RECOVERY, INC.	54.50	N	
11212	09/29/16	ROCKY POINT ADMIN ASSOCIA	592.00	N	
11213	09/29/16	ROCKY POINT SCH REL PERS	4,534.20	N	
11214	09/29/16	SHERIFF OF SUFFOLK COUNTY	223.27	N	
11215	09/29/16	VOTE COPE	251.25	N	
GRAND TOTAL			26,772.10		
TOTAL CHECKS			14		

Report Completed 12:04 PM

DETAIL ACCOUNT TRANSACTIONS - T 204 CAPITAL ONE TRUST & AGENCY - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	3,474,578.29
09/08/16	57			ERS AUGUST 2016	JE-32	0.00	6,905.32	3,467,672.97
09/14/16				* SEE CASH DISBURSEMENT	CD-11	118.37	0.00	3,467,791.34
09/15/16	1024669			TRUST & AGENCY DEDUCTIO	CR-23	650,163.18	0.00	4,117,954.52
09/28/16	1024691			TRUST & AGENCY DEDUCTIO	CR-23	626,929.14	0.00	4,744,883.66
09/28/16				* SEE CASH DISBURSEMENT	CD-13	0.00	339.00	4,744,544.66
09/30/16				* SEE CASH DISBURSEMENT	CD-10	0.00	135,766.45	4,608,778.21
09/30/16				* SEE CASH DISBURSEMENT	CD-12	0.00	569,610.98	4,039,167.23
09/30/16				* SEE CASH DISBURSEMENT	CD-14	0.00	561,510.54	3,477,656.69
				TOTALS		1,277,210.69	1,274,132.29	3,477,656.69

Report Completed 9:34 AM

Rocky Point Union Free School District
Treasurer's Report
Net Payroll Checking - T205
As of September 30, 2016

Reconciled Balance as of:	8/31/2016		276,664.87
Receipts:			
	Funding Transfer	<u>1,798,434.05</u>	1,798,434.05
Disbursements:			
	Disburse Net Payroll	<u>2,042,849.35</u>	<u>(2,042,849.35)</u>
Total available balance per General Ledger as of:	9/30/2016		<u>32,249.57</u>
Bank Balance as of:	9/30/2016		79,908.60
Less:	Outstanding Checks		<u>47,659.03</u>
Adjusted Bank Balance as of:	9/30/2016		<u>32,249.57</u> (0.00)

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Holloway
Date: 10/7/2016

T205

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
PAYROLL ACCOUNT
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

89 ENCLOSURES Page 1 of 4

Govt Banking Blended Chking

Opening balance	09-01-16	306,771.23
+Deposits/Credits	2	1,798,434.05
-Checks/Debits	92	2,025,296.68
-Service charge		0.00
Ending balance	09-30-16	79,908.60
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				306,771.23
09-02	ACH withdrawal		228,024.27		78,746.96
	PAYROLL ROCKYPT REG SALARY				
	090216 PAYROLL ROCKYPT				
09-02	Check withdrawal	93103	795.65		77,951.31
09-06	Check withdrawal	93101	2,005.73		75,945.58
09-06	Check withdrawal	93099	1,611.15		74,334.43
09-06	Check withdrawal	93084	1,347.27		72,987.16
09-06	Check withdrawal	93095	1,225.70		71,761.46
09-06	Check withdrawal	93093	1,013.10		70,748.36
09-06	Check withdrawal	93077	999.46		69,748.90
09-06	Check withdrawal	92023	938.77		68,810.13
09-06	Check withdrawal	93096	636.54		68,173.59
09-06	Check withdrawal	93091	482.30		67,691.29
09-06	Check withdrawal	93106	459.06		67,232.23
09-06	Check withdrawal	93107	344.45		66,887.78
09-06	Check withdrawal	93100	255.86		66,631.92
09-07	Check withdrawal	93105	195.62		66,436.30
09-07	Check withdrawal	93104	136.50		66,299.80
09-09	Check withdrawal	93076	2,990.28		63,309.52
09-09	Check withdrawal	93094	2,990.28		60,319.24
09-09	Check withdrawal	92321	926.53		59,392.71
09-12	Check withdrawal	93092	1,601.75		57,790.96
09-12	Check withdrawal	93102	1,347.27		56,443.69
09-12	Check withdrawal	92941	798.98		55,644.71
09-12	Check withdrawal	91984	322.63		55,322.08
09-12	Check withdrawal	92603	268.53		55,053.55
09-13	Check withdrawal	93068	38.56		55,014.99

**ROCKY POINT UFSD
OUTSTANDING CHECK LIST
AS OF SEPTEMBER 30, 2016**

<u>Check #</u>	<u>Check Date</u>	<u>Check Amt.</u>
91313	2/5/2016	\$754.07
91326	2/5/2016	\$1,334.31
91332	2/5/2016	\$997.77
91353	2/5/2016	\$209.83
91968	6/24/2016	\$322.63
92005	6/24/2016	\$368.45
92117	6/24/2016	\$3,995.73
92338	6/24/2016	\$2,270.60
92379	6/24/2016	\$2,206.52
92491	6/24/2016	\$399.14
92532	6/30/2016	\$110.82
92609	6/30/2016	\$523.87
92633	6/30/2016	\$30.25
92654	6/30/2016	\$31.69
92663	6/30/2016	\$116.57
92674	6/30/2016	\$45.38
92682	6/30/2016	\$29.80
92726	6/30/2016	\$246.61
92756	6/30/2016	\$462.37
92790	6/30/2016	\$153.58
92793	6/30/2016	\$245.73
92795	6/30/2016	\$362.82
92804	6/30/2016	\$723.55
92806	6/30/2016	\$61.26
92807	6/30/2016	\$533.49
92831	6/30/2016	\$47.27
92834	6/30/2016	\$1,637.83
92839	6/30/2016	\$703.75
92840	6/30/2016	\$114.12
92844	6/30/2016	\$28.78
92845	6/30/2016	\$89.35
92847	6/30/2016	\$64.74
92848	6/30/2016	\$47.80
92850	6/30/2016	\$170.01
92864	6/30/2016	\$535.82
92876	6/30/2016	\$109.55
92938	7/7/2016	\$71.08
92947	7/7/2016	\$1,244.53
93128	9/16/2016	\$1,145.24
93137	9/16/2016	\$562.95
93153	9/16/2016	\$92.35
93158	9/30/2016	\$967.50
93162	9/30/2016	\$2,848.48
93165	9/30/2016	\$1,296.27
93168	9/30/2016	\$2,881.12
93169	9/30/2016	\$1,139.74
93170	9/30/2016	\$3,461.77
93174	9/30/2016	\$272.88
93175	9/30/2016	\$640.66
93178	9/30/2016	\$332.62
93179	9/30/2016	\$659.25

93182	9/30/2016	\$1,624.55
93183	9/30/2016	\$797.06
93185	9/30/2016	\$1,193.80
93186	9/30/2016	\$308.78
93187	9/30/2016	\$296.24
93188	9/30/2016	\$790.29
93191	9/30/2016	\$346.26
93192	9/30/2016	\$460.56
93193	9/30/2016	\$226.81
93194	9/30/2016	\$120.75
93195	9/30/2016	\$261.13
93196	9/30/2016	\$618.42
93197	9/30/2016	\$104.13
93198	9/30/2016	\$130.79
93199	9/30/2016	\$677.43
93200	9/30/2016	\$444.86
93201	9/30/2016	\$77.82
93202	9/30/2016	\$257.90
93203	9/30/2016	\$438.08
93204	9/30/2016	\$688.72
93205	9/30/2016	\$92.35
		<u>\$47,659.03</u>

DETAIL ACCOUNT TRANSACTIONS - T 205 CAPITAL ONE NET PAYROLL - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	276,664.87
09/02/16	49			FICA & MED & T&A DEDUCTIO	JE-32	0.00	244,415.30	32,249.57
09/15/16	1024670			FUNDING NET PAYROLL 9.16.	CR-23	884,774.75	0.00	917,024.32
09/16/16	66			FICA & MED & T&A DEDUCTIO	JE-34	0.00	884,774.75	32,249.57
09/28/16	1024692			FUNDING NET PAYROLL 9.30.	CR-23	913,659.30	0.00	945,908.87
09/30/16	76			FICA & MED & T&A DEDUCTIO	JE-32	0.00	913,659.30	32,249.57
				TOTALS		1,798,434.05	2,042,849.35	32,249.57

Report Completed 9:34 AM

Rocky Point Union Free School District
Treasurer's Report
Scholarship Fund Checking - U200
As of September 30, 2016

Reconciled Balance as of:	8/31/2016	35,142.65
Receipts:		0.00
Disbursements:		<u>0.00</u>
Total available balance per General Ledger as of:	9/30/2016	<u><u>35,142.65</u></u>
Bank Balance as of:	9/30/2016	35,342.65
Less:	Outstanding Checks	<u>200.00</u>
Adjusted Bank Balance as of:	9/30/2016	<u><u>35,142.65</u></u>

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia Holley
Date: 10/7/2016

U200

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSO
SCHOLARSHIP CHECKING
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

0 ENCLOSURES Page 1 of 1

Govt Banking Blended Chking

Opening balance	09-01-16	35,342.65
+Deposits/Credits	0	0.00
-Checks/Debits	0	0.00
-Service charge		0.00
Ending balance	09-30-16	35,342.65
Days in Statement Period	30	
END OF STATEMENT		

Bank Reconciliation Outstanding Checks Listing as of 09/30/16

CHECK#	ISSUE DATE	PAYEE	AMOUNT	CLEARED	CLEAR DATE
320	06/14/16	THOMAS, ROBERT	200.00	N	
GRAND TOTAL			200.00		
TOTAL CHECKS			1		

Report Completed 12:06 PM

DETAIL ACCOUNT TRANSACTIONS - U 200 CASH IN CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	35,142.65
					TOTALS	0.00	0.00	35,142.65

Report Completed 9:34 AM

Rocky Point Union Free School District
Treasurer's Report
Debt Service Fund Checking - V200
As of September 30, 2016

Reconciled Balance as of:	8/31/2016	311,380.06
Receipts:		0.00
Disbursements:		<u>0.00</u>
Total available balance per General Ledger as of:	9/30/2016	<u><u>311,380.06</u></u>
Bank Balance as of:	9/30/2016	<u><u>311,380.06</u></u> 0.00

Prepared by: Linda Bilski
Date: 10/7/2016

Reviewed by: Virginia G. Haney
Date: 10/7/2016

V200

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
DEBT SERVICE FUND
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

0 ENCLOSURES Page 1 of 1

Govt Banking Blended Chking

Opening balance	09-01-16	311,380.06
+Deposits/Credits	0	0.00
-Checks/Debits	0	0.00
-Service charge		0.00
Ending balance	09-30-16	311,380.06
Days in Statement Period	30	
END OF STATEMENT		

DETAIL ACCOUNT TRANSACTIONS - V 200 CASH - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	311,380.06
					TOTALS	0.00	0.00	311,380.06

Report Completed 9:35 AM

STUDENT ACTIVITY ACCOUNTS						
September-16						
FROM: 9/1/16						
TO: 9/30/16					JE	
ACCOUNT	NAME	9/1/2016 BEG. BAL.	RECEIPTS	DISB	OR TRANSFERS	9/30/2016 END BAL.
600-2016	CLASS OF 2016	\$1,094.37				\$1,094.37
630-7	LEADERS CLUB	\$994.94				\$994.94
630-8	MATH HONOR SOCIETY	\$55.79				\$55.79
630-9	VARSIITY CLUB	\$616.74				\$616.74
6310	SCIENCE CLUB	\$270.43				\$270.43
6351	STUDENT COUNCIL-MS	\$11,637.18		\$108.57		\$11,528.61
635-3	MS/YEARBOOK	\$5,094.15				\$5,094.15
640-2	MS SCHOOL STORE	\$260.52				\$260.52
640-3	BUSINESS CLUB	\$13.81				\$13.81
640-4	MS ROBOTICS	\$701.40				\$701.40
645-2	NICER NEIGHBOR CLUB	\$1,794.66				\$1,794.66
64521	BANN-KIN	\$1,907.49				\$1,907.49
645-3	FBLA CLUB	\$3.64				\$3.64
645-4	COMMUNITY SERVICE	\$2,731.35				\$2,731.35
645-7	SKILLS USA	\$35.66				\$35.66
6460	GAY/STRAIGHT ALLIANCE	\$0.10				\$0.10
6461	HUMAN RIGHTS CLUB	\$66.12				\$66.12
65010	SADD	\$1,052.61	\$200.00			\$1,252.61
650-115	THESPIAN TROUPE	\$422.92				\$422.92
650-12	YEARBOOK CLUB	\$26,348.25				\$26,348.25
650-16	HS STUDENT COUNCIL	\$11,158.57				\$11,158.57
650-17	ART CLUB	\$1,366.04				\$1,366.04
65018	BUSINESS HONOR	\$586.23				\$586.23
650-25	JAE STUDENT COUNCIL	\$3,501.61				\$3,501.61
6533	ROBOTICS HS	\$493.90				\$493.90
	Sub Total	\$72,208.48	\$200.00	\$108.57	\$0.00	\$72,299.91
700	INTEREST	\$26.45			\$10.22	\$36.67
	TOTALS	\$72,234.93			\$10.22	\$72,336.58
		9/1/2016			CASH	9/30/2016
		END BAL.	RECEIPTS	DISB.	MOVE	END BAL.
201 - CHECKING ACCT - CAP ONE		\$71,804.44	\$200.00	\$108.57	\$0.00	\$71,895.87
391 - DUE FROM GENERAL		\$430.49			\$10.22	\$440.71
		\$72,234.93			\$10.22	\$72,336.58
I certify that this financial report is correct, that all cash receipts have been recorded and deposited intact, that all disbursements were supported by the proper authorities and documentary evidence with state laws, regulations and school board regulations.						
Prepared by:	<i>Linda Bilski</i>	Reviewed by:	<i>Virginia Holly</i>			

Rocky Point Union Free School District
Treasurer's Report
Extra Class Checking - X201
As of September 30, 2016

Reconciled Balance as of:	8/31/2016		71,804.44
Receipts:			
	SADD Club Grant	<u>200.00</u>	200.00
Disbursements:			
	Cash Disbursements	<u>108.57</u>	<u>108.57</u>
Total available balance per General Ledger as of:	9/30/2016		<u>71,895.87</u>
Bank Balance as of:	9/30/2016		72,159.00
Less:	Outstanding Checks		<u>263.13</u>
Adjusted Bank Balance as of:	9/30/2016		<u>71,895.87</u>

Prepared by: Linda Bilski
Date: 10/13/2016

Reviewed by: Virginia Jolly
Date: 10/13/2016

X201

ExportData

Direct inquiries to Customer Service
877 694-9111

ROCKY POINT UFSD
EXTRA CLASS CHECKING
90 ROCKY POINT YAPHANK RD
ROCKY POINT NY 11778-8423

0 ENCLOSURES Page 1 of 1

Govt Banking Blended Chking

Opening balance	09-01-16	71,959.00
+Deposits/Credits	1	200.00
-Checks/Debits	0	0.00
-Service charge		0.00
Ending balance	09-30-16	72,159.00
Days in Statement Period	30	

DATE	DESCRIPTION	CHECK#	DEBITS	CREDITS	BALANCE
	Beginning Balance				71,959.00
09-19	Customer Deposit			200.00	72,159.00
	Ending balance				72,159.00
	END OF STATEMENT				

Bank Reconciliation Outstanding Checks Listing as of 09/30/16

CHECK#	ISSUE DATE	PAYEE	AMOUNT	CLEARED	CLEAR DATE
10943	05/10/16	ROCKY POINT CHILD NUTRITI	154.56	N	
10979	09/13/16	CONNELLY, GRANT	108.57	N	
GRAND TOTAL			263.13		
TOTAL CHECKS			2		

Report Completed 12:16 PM

DETAIL ACCOUNT TRANSACTIONS - X 201 CAPITAL ONE CHECKING - 09/01/16 - 09/30/16

DATE	REF#	INV#	VEND#	EXPLANATION	SCH#	DEBITS	CREDITS	BALANCE
09/01/16				BALANCE 07/01/16 - 08/31/16		0.00	0.00	71,804.44
09/19/16	1024679			SADD CLUB HS GRANT	CR-23	200.00	0.00	72,004.44
09/30/16				* SEE CASH DISBURSEMENT	CD-3	0.00	108.57	71,895.87
				TOTALS		200.00	108.57	71,895.87

Report Completed 9:35 AM

**CASH REPORT
FOR THE MONTH ENDED
September 30, 2016**

GENERAL FUND

A210	Petty Cash	\$	600.00
A2008	Capital One Investment	\$	14,274,886.63
A2010	Capital One AP Checking	\$	3,164,879.38
A2011	JP Morgan Chase-Money Market	\$	4,518,630.11
Total General Fund:		\$	<u>21,958,996.12</u>

SCHOOL LUNCH FUND

C207	Capital One Lunch Fund Checking	\$	621,350.09
C208	JP Morgan Chase-Lunch ACH	\$	832,709.42
Total School Lunch Fund:		\$	<u>1,454,059.51</u>

SPECIAL AID FUND

F205	Capital One Federal Checking	\$	181,963.22
Total Special Aid Fund:		\$	<u>181,963.22</u>

CAPITAL FUND

H205	Capital One - Checking	\$	73,711.78
Total Capital Fund:		\$	<u>73,711.78</u>

TRUST & AGENCY FUND

T204	Capital One - Checking	\$	3,477,656.69
T205	Capital One - Net Payroll Checking	\$	32,249.57
Total Trust & Agency Fund:		\$	<u>3,509,906.26</u>

SCHOLARSHIP FUND

U200	Capital One - Checking	\$	35,142.65
Total Scholarship Fund		\$	<u>35,142.65</u>

DEBT SERVICE FUND

V200	Capital One - Money Market	\$	311,380.06
Total Debt Service Fund		\$	<u>311,380.06</u>

EXTRA CLASS FUND

X201	Capital One - Checking	\$	71,895.87
Total Extra Class Fund		\$	<u>71,895.87</u>

Total All Funds:		\$	<u>27,597,055.47</u>
------------------	--	----	----------------------

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

GENERAL FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
A2008	CAPITAL ONE INVESTMENT	14,274,886.63	0.00
A2010	CAPITAL ONE AP CHECKING	3,164,879.38	0.00
A2011	CHASE GENERAL FUND MM	4,518,630.11	0.00
A210	PETTY CASH	600.00	0.00
A391	DUE FROM FEDERAL FUND	887,137.70	0.00
A3911	DUE FROM TRUST AND AGENCY	3,401,378.63	0.00
A3912	DUE FROM SCHOOL LUNCH	1,448,757.94	0.00
A3917	DUE FROM DEBT SERVICE	203,172.37	0.00
A4805	PREPAID INSURANCE	60,000.00	0.00
A510	ESTIMATED REVENUES	76,812,106.62	0.00
A521	ENCUMBRANCES	50,883,616.64	0.00
A522	EXPENDITURES	9,042,163.87	0.00
A599	APPROPRIATED FUND BALANCE	4,232,428.83	0.00
A600	ACCOUNTS PAYABLE	0.00	189,144.02
A620	TAX ANTICIP NOTES PAYABLE	0.00	4,750,000.00
A630	DUE TO OTHER FUNDS	0.00	464.39
A6301	DUE TO SCHOOL LUNCH FUND	0.00	29,528.51
A6305	DUE TO DEBT SERVICE	0.00	492.22
A632	DUE TO STATE TEACHERS' RET	0.00	4,047,242.68
A637	DUE EMPLOYEES' RETIREMENT	0.00	299,336.65
A691	DEFERRED REVENUES	0.00	400.00
A806	NONSPENDABLE FUND BALANCE	0.00	60,000.00
A814	WORKER'S COMPENSATION RESE	0.00	1,511,089.00
A815	UNEMPLOYMENT INSURANCE RES	0.00	530,761.36
A821	RESERVE FOR ENCUMBRANCES	0.00	50,883,616.14
A825	ERS RESERVE	0.00	6,093,159.00
A861	PROPERTY LOSS RESERVE	0.00	53,369.00
A862	LIABILITY LOSS RESERVE	0.00	53,369.00
A867	RESERVE FOR EMPLOYEE BENEF	0.00	4,053,734.00
A878	CAPITAL RESERVE	0.00	4,242,566.00
A909	FUND BALANCE	0.00	3,110,507.96
A910	APPROPRIATED FUND BALANCE	0.00	1,931,759.00
A911	UNAPPROPRIATED FUND BALANC	0.00	2,315,108.30
A960	APPROPRIATIONS	0.00	81,044,535.45
A980	REVENUES	0.00	3,729,576.04
FUND A TOTALS		168,929,758.72	168,929,758.72

REVENUE BUDGET STATUS - FUNDS: A FOR PERIOD COVERED 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	BUDGET	ADJUSTMENTS	REVISED BUDGET	REVENUE EARNED	UNEARNED REVENUE
A 1001	REAL PROPERTY TAX	41,859,714.00	0.00	41,859,714.00	0.00	41,859,714.00
A 1085	STAR REIMBURSEMENT	6,225,000.00	0.00	6,225,000.00	0.00	6,225,000.00
A 1315	CONTINUING ED-SUMMER	25,000.00	0.00	25,000.00	18,615.00	6,385.00
A 1315..A	CONTINUING ED-FALL	2,500.00	0.00	2,500.00	0.00	2,500.00
A 1315..B	CONTINUING ED-SPRING	2,500.00	0.00	2,500.00	0.00	2,500.00
A 1316	DRIVER EDUCATION-SUMMER	30,000.00	0.00	30,000.00	23,400.00	6,600.00
A 1316..A	DRIVERS ED-FALL	31,500.00	0.00	31,500.00	36,200.00	(4,700.00)
A 1316..B	DRIVERS ED-SPRING	31,500.00	0.00	31,500.00	0.00	31,500.00
A 1489	OTHER CHARGES-PROM, YEARBO	25,000.00	0.00	25,000.00	0.00	25,000.00
A 2401	INTEREST AND EARNINGS	35,000.00	0.00	35,000.00	11,794.52	23,205.48
A 2690	FINES - LOST BOOKS	0.00	0.00	0.00	637.29	(637.29)
A 2703	PRIOR YEAR REFUNDS-OTHER	25,000.00	0.00	25,000.00	0.00	25,000.00
A 2705	GIFTS AND DONATIONS	0.00	3,219.62	3,219.62	3,459.62	(240.00)
A 2710	PREMIUM ON OBLIGATIONS	0.00	0.00	0.00	47,880.00	(47,880.00)
A 2770	OTHER UNCLASSIFIED	0.00	0.00	0.00	316.80	(316.80)
A 2772	E-RATE REVUENE	30,000.00	0.00	30,000.00	0.00	30,000.00
A 2801	INTERFUND REVENUE	0.00	0.00	0.00	100,000.00	(100,000.00)
A 3101	GROSS STATE AID - BASIC	17,258,488.00	0.00	17,258,488.00	0.00	17,258,488.00
A 3101.E	STATE AID EXCESS COST	5,000,000.00	0.00	5,000,000.00	0.00	5,000,000.00
A 3102	STATE AID LOTTERY	4,100,000.00	0.00	4,100,000.00	3,437,654.15	662,345.85
A 3103	STATE AID BOCES	1,749,000.00	0.00	1,749,000.00	0.00	1,749,000.00
A 3260	STATE AID TEXTBOOKS	261,000.00	0.00	261,000.00	49,620.00	211,380.00
A 3262	STATE AID COMPUTER SOFTWA	48,385.00	0.00	48,385.00	0.00	48,385.00
A 3263	STATE AID LIBRARY LOAN PR	21,000.00	0.00	21,000.00	0.00	21,000.00
A 4601	MEDICAID REIMBURSEMENT (A	48,300.00	0.00	48,300.00	0.00	48,300.00
FUND A TOTAL		76,808,887.00	3,219.62	76,812,106.62	3,729,577.38	73,082,529.24

APPROPRIATION STATUS REPORT - BY FUNCTION: FOR PERIOD 07/01/16 - 09/30/16 (Summary)

ACCOUNT GROUPING	ORIG BUDGET	ADJUSTMENTS	ADJ BUDGET	EXPENSED	ENCUMBERED	AVAILABLE
A 1010....BOARD OF EDUCATION *	12,450.00	0.00	12,450.00	6,639.00	1,266.25	4,544.75
A 1040....DISTRICT CLERK *	14,595.00	0.00	14,595.00	3,680.75	4,656.75	6,257.50
A 1060....DISTRICT MEETING *	11,010.00	0.00	11,010.00	0.00	0.00	11,010.00
A 1240....CHIEF SCHOOL ADMINISTRATOR *	380,042.00	573.75	380,615.75	93,942.53	266,819.68	19,853.54
A 1310....BUSINESS ADMINISTRATION *	649,765.00	(553.55)	649,211.45	160,510.07	440,324.61	48,376.77
A 1320....AUDITING *	105,000.00	0.00	105,000.00	7,430.43	28,124.57	69,445.00
A 1325....TREASURER *	10,000.00	0.00	10,000.00	5,850.00	0.00	4,150.00
A 1345....PURCHASING *	38,548.00	0.00	38,548.00	17,020.49	20,661.51	866.00
A 1380....FISCAL AGENT FEE *	9,000.00	0.00	9,000.00	6,500.00	2,500.00	0.00
A 1420....LEGAL *	175,000.00	0.00	175,000.00	9,483.50	140,516.50	25,000.00
A 1430....PERSONNEL *	379,553.00	0.00	379,553.00	77,969.62	263,293.60	38,289.78
A 1480....PUBLIC INFORMATION AND SERVICES *	40,650.00	0.00	40,650.00	3,596.90	37,053.10	0.00
A 1620....OPERATION OF PLANT *	3,836,388.00	65.00	3,836,453.00	691,886.13	2,308,896.49	835,670.38
A 1621....MAINTENANCE OF PLANT *	802,725.00	362,685.49	1,165,410.49	248,507.86	550,608.56	366,294.07
A 1670....CENTRAL PRINTING AND MAILING *	66,000.00	0.00	66,000.00	21,499.50	42,288.50	2,212.00
A 1680....CENTRAL DATA PROCESSING *	754,300.00	0.00	754,300.00	32,356.68	721,943.32	0.00
A 1910....UNALLOCATED INSURANCE *	529,725.00	0.00	529,725.00	467,028.05	13,414.99	49,281.96
A 1981....ADMINISTRATIVE CHARGE-BOCES *	310,000.00	0.00	310,000.00	76,910.01	233,089.99	0.00
A 2010....CURRICULUM DEVELOPMENT AND SUPE *	468,280.00	0.00	468,280.00	72,657.48	370,115.58	25,506.94
A 2020....SUPERVISION - ADMINISTRATION *	2,385,373.00	1,101.38	2,386,474.38	495,760.78	1,360,678.34	530,035.26
A 2060....RESEARCH, PLANNING AND EVALUATI *	45,000.00	0.00	45,000.00	0.00	0.00	45,000.00
A 2070....INSERVICE TRAINING - INSTRUCTIO *	15,350.00	77.92	15,427.92	766.11	9,915.17	4,746.64
A 2110....TEACHING - REGULAR SCHOOL *	22,902,094.71	49,300.75	22,951,395.46	1,961,655.44	17,484,994.32	3,504,745.70
A 2138....MUSIC & FINE ARTS *	70,956.00	616.74	71,572.74	16,756.46	18,034.24	36,782.04
A 2250....PROGRAMS FOR HANDICAPPED CHILDREN *	15,078,880.25	1,963.75	15,080,844.00	1,025,971.01	11,428,288.55	2,626,584.44
A 2280....OCCUPATIONAL EDUCATION *	1,060,507.00	0.00	1,060,507.00	133,693.20	924,743.90	2,069.90
A 2330....COMMUNITY EDUCATION *	1,000,100.00	0.00	1,000,100.00	31,577.41	857,664.61	110,857.98
A 2610....SCHOOL LIBRARY AND AUDIOVISUAL *	597,106.00	106.68	597,212.68	54,826.61	461,846.18	80,539.89
A 2620....EDUCATIONAL TELEVISION *	12,900.00	0.00	12,900.00	0.00	12,900.00	0.00
A 2630....COMPUTER ASSISTED INSTRUCTION *	277,886.00	1,683.60	279,569.60	31,851.16	55,753.98	191,964.46
A 2805....ATTENDANCE - REGULAR SCHOOL *	50,042.00	0.00	50,042.00	7,806.45	22,552.50	19,683.05
A 2810....GUIDANCE - REGULAR SCHOOL *	1,092,877.00	3,021.81	1,095,898.81	174,366.83	917,551.29	3,980.69
A 2815....HEALTH SERVICES - REGULAR SCHOOL *	466,468.80	0.00	466,468.80	41,097.51	369,896.16	55,475.13
A 2820....PSYCHOLOGICAL SERVICES - REGULAR *	284,074.00	0.00	284,074.00	21,591.84	259,102.16	3,380.00
A 2825....SOCIAL WORK SERVICES - REGULAR *	425,042.00	0.00	425,042.00	14,201.48	160,817.52	250,023.00
A 2850....CO-CURRICULAR ACTIVITIES - REG. *	363,700.00	249.37	363,949.37	9,678.78	8,508.81	345,761.78
A 2855....INTERSCHOLASTIC ATHLETICS - REG *	890,941.00	0.00	890,941.00	149,175.96	243,983.29	497,781.75
A 5510....DISTRICT TRANSPORTATION SERVICE *	81,139.00	0.00	81,139.00	20,355.72	60,783.28	0.00
A 5540....CONTRACT TRANSPORTATION *	4,781,108.00	0.00	4,781,108.00	225,266.21	4,553,900.79	1,941.00
A 9010....NYS EMPLOYEES RETIREMENT *	982,997.00	0.00	982,997.00	0.00	0.00	982,997.00

APPROPRIATION STATUS REPORT - BY FUNCTION: FOR PERIOD 07/01/16 - 09/30/16 (Summary)

ACCOUNT GROUPING		ORIG BUDGET	ADJUSTMENTS	ADJ BUDGET	EXPENSED	ENCUMBERED	AVAILABLE
A 9020....NYS TEACHERS RETIREMENT	*	3,793,178.00	0.00	3,793,178.00	0.00	0.00	3,793,178.00
A 9030....SOCIAL SECURITY	*	2,865,860.00	0.00	2,865,860.00	298,172.26	0.00	2,567,687.74
A 9040....WORKERS' COMPENSATION	*	500,000.00	0.00	500,000.00	115,594.08	134,405.92	250,000.00
A 9045....LIFE INSURANCE	*	37,000.00	0.00	37,000.00	8,471.88	25,740.78	2,787.34
A 9050....UNEMPLOYMENT INSURANCE	*	50,000.00	0.00	50,000.00	0.00	50,000.00	0.00
A 9060....HEALTH INSURANCE	*	8,669,500.00	0.00	8,669,500.00	2,200,057.69	6,015,980.85	453,461.46
A 9760....TAX ANTICIPATION NOTES	*	95,000.00	0.00	95,000.00	0.00	0.00	95,000.00
A 9901....TRANSFER TO SPECIAL AID	*	3,155,532.00	0.00	3,155,532.00	0.00	0.00	3,155,532.00
GRAND TOTALS		80,623,642.76	420,892.69	81,044,535.45	9,042,163.87	50,883,616.64	21,118,754.94

Report Completed 4:23 PM

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

CAFETERIA FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
C207	CAPITAL ONE CHECKING	621,350.09	0.00
C208	CHASE ACH REVENUE	832,709.42	0.00
C380	ACCOUNTS RECEIVABLE	184.63	0.00
C3801	ACCOUNTS RECEIVABLE SPEC F	1,625.00	0.00
C391	DUE FROM GENERAL FUND	29,528.51	0.00
C445	SUPPLY INVENTORY	8,000.03	0.00
C446	SURPLUS FOOD INVENTORY	18,333.79	0.00
C447	PURCHASED FOOD INVENTORY	5,950.08	0.00
C510	ESTIMATED REVENUES	965,866.00	0.00
C521	ENCUMBRANCES	612,066.21	0.00
C522	EXPENDITURES	132,721.57	0.00
C630	DUE TO GENERAL FUND	0.00	1,448,757.95
C631	DUE TO OTHER GOVT.	0.00	68.29
C691	DEFERRED REVENUE	0.00	12,835.78
C821	RESERVE FOR ENCUMBRANCES	0.00	612,066.21
C845	FUND BALANCE RESERVE FOR I	0.00	32,283.86
C909	FUND BALANCE	0.00	79,049.69
C960	APPROPRIATIONS	0.00	965,866.00
C980	REVENUES	0.00	77,407.55
FUND C TOTALS		3,228,335.33	3,228,335.33

REVENUE BUDGET STATUS - FUNDS: C FOR PERIOD COVERED 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	BUDGET	ADJUSTMENTS	REVISED BUDGET	REVENUE EARNED	UNEARNED REVENUE
C 1440	SALE OF TYPE A LUNCHES	269,625.00	0.00	269,625.00	24,505.00	245,120.00
C 1441	ADULT ALA CARTE	2,810.00	0.00	2,810.00	269.19	2,540.81
C 1445	OTHER CAFETERIA SALES	253,790.00	0.00	253,790.00	31,350.60	222,439.40
C 2401	INTEREST AND EARNINGS	1,288.00	0.00	1,288.00	399.26	888.74
C 2770	MISCELLANEOUS REVENUES	278.00	2,500.00	2,778.00	3,181.10	(403.10)
C 2771	REBATES	15,873.00	0.00	15,873.00	0.00	15,873.00
C 4109	SURPLUS FOOD	68,620.00	0.00	68,620.00	0.00	68,620.00
C 4191	GOVERNMENT REIMB-FEDERAL	351,082.00	0.00	351,082.00	0.00	351,082.00
FUND C TOTAL		963,366.00	2,500.00	965,866.00	59,705.15	906,160.85

Report Completed 11:50 AM

APPROPRIATION STATUS REPORT - BY FUNCTION: FOR PERIOD 07/01/16 - 09/30/16 (Summary)

ACCOUNT GROUPING		ORIG BUDGET	ADJUSTMENTS	ADJ BUDGET	EXPENSED	ENCUMBERED	AVAILABLE
C 2860.....	*	963,366.00	2,500.00	965,866.00	126,260.81	612,066.21	227,538.98
C 9030.....	*	0.00	0.00	0.00	6,460.76	0.00	(6,460.76)
GRAND TOTALS		963,366.00	2,500.00	965,866.00	132,721.57	612,066.21	221,078.22

Report Completed 11:54 AM

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

FEDERAL FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
F205	CAPITAL ONE CHECKING	181,963.22	0.00
F410	STATE AND FEDERAL AID REC	669,607.22	0.00
F510	ESTIMATED REVENUES	1,133,699.83	0.00
F521	ENCUMBRANCES	797,750.19	0.00
F522	EXPENDITURES	154,364.50	0.00
F599	APPROPRIATED FUND BALANCE	434,774.75	0.00
F630	DUE TO GENERAL FUND	0.00	887,137.50
F631	DUE TO OTHER GOVT'S	0.00	11,156.00
F691	DEFERRED REVENUES	0.00	73.44
F821	RESERVE FOR ENCUMBRANCES	0.00	797,750.19
F960	APPROPRIATIONS	0.00	1,568,474.58
F980	REVENUES	0.00	107,568.00
FUND F TOTALS		3,372,159.71	3,372,159.71

REVENUE BUDGET STATUS - FUNDS: F FOR PERIOD COVERED 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	BUDGET	ADJUSTMENTS	REVISED BUDGET	REVENUE EARNED	UNEARNED REVENUE
F 2110.12M.EN.T	MENTORING	72.36	0.00	72.36	0.00	72.36
F 3289.UPK.17	UPK REVENUE 2017	197,136.00	0.00	197,136.00	98,568.00	98,568.00
F 4126.TLI.16	REVENUE TITLE I	14,714.05	0.00	14,714.05	0.00	14,714.05
F 4256.16R.SP	REVENUE RESPECT	118,867.73	0.00	118,867.73	0.00	118,867.73
F 4256.PRE.17	REVENUE PRE	41,257.00	0.00	41,257.00	0.00	41,257.00
F 4256.PTB.17	REVENUE PTB	696,390.00	0.00	696,390.00	0.00	696,390.00
F 4289.IMM.16	REVENUE IMMIGRANT STUDENT	14,002.00	0.00	14,002.00	9,000.00	5,002.00
F 4289.LEP.16	REVENUE TLEP	1,753.11	0.00	1,753.11	0.00	1,753.11
F 4289.TII.16	REVENUE TITLE IIA	49,507.58	0.00	49,507.58	0.00	49,507.58
FUND F TOTAL		1,133,699.83	0.00	1,133,699.83	107,568.00	1,026,131.83

Report Completed 11:50 AM

APPROPRIATION STATUS REPORT - BY FUNCTION: FOR PERIOD 07/01/16 - 09/30/16 (Summary)

ACCOUNT GROUPING	ORIG BUDGET	ADJUSTMENTS	ADJ BUDGET	EXPENSED	ENCUMBERED	AVAILABLE
F 2110.... *	703,844.58	125,527.52	829,372.10	54,860.88	354,613.56	419,897.66
F 2250.... *	737,647.00	1,455.48	739,102.48	99,503.62	443,136.63	196,462.23
F 9060.... *	28,101.00	(28,101.00)	0.00	0.00	0.00	0.00
GRAND TOTALS	1,469,592.58	98,882.00	1,568,474.58	154,364.50	797,750.19	616,359.89

Report Completed 11:54 AM

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

CAPITAL FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
H205	CAPITAL ONE CHECKING	73,711.78	0.00
H510	ESTIMATED REVENUES	1,279,738.00	0.00
H521	ENCUMBRANCES	553,909.92	0.00
H522	EXPENDITURES	164,714.53	0.00
H6304	DUE TO DEBT SERVICE FUND	0.00	7,463.96
H821	RESERVE FOR ENCUMBRANCES	0.00	553,909.92
H909	FUND BALANCE	0.00	230,962.35
H960	APPROPRIATIONS	0.00	1,279,738.00
FUND H TOTALS		2,072,074.23	2,072,074.23

REVENUE BUDGET STATUS - FUNDS: H FOR PERIOD COVERED 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	BUDGET	ADJUSTMENTS	REVISED BUDGET	REVENUE EARNED	UNEARNED REVENUE
H 5731	BANS	997,338.00	282,400.00	1,279,738.00	0.00	1,279,738.00
	FUND H TOTAL	997,338.00	282,400.00	1,279,738.00	0.00	1,279,738.00

Report Completed 11:50 AM

APPROPRIATION STATUS REPORT - BY FUNCTION: FOR PERIOD 07/01/16 - 09/30/16 (Summary)

ACCOUNT GROUPING	ORIG BUDGET	ADJUSTMENTS	ADJ BUDGET	EXPENSED	ENCUMBERED	AVAILABLE
H 1625.... *	997,338.00	282,400.00	1,279,738.00	164,714.53	553,909.92	561,113.55
GRAND TOTALS	997,338.00	282,400.00	1,279,738.00	164,714.53	553,909.92	561,113.55

Report Completed 11:54 AM

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

TRUST AND AGENCY FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
T200EX	EXTRACLASSROOM	72,336.58	0.00
T204	CAPITAL ONE TRUST & AGENCY	3,477,656.69	0.00
T205	CAPITAL ONE NET PAYROLL	32,249.57	0.00
T23	INCOME EXECUTIONS	0.00	12,368.80
T281I	FLEX PLAN-HEALTH CARE - YR	0.00	23,340.62
T282I	FLEX PLAN DEPENDENT CARE-Y	0.00	5,791.62
T290	AFLAC -CPP	0.00	2,553.09
T291	AFLAC - STD	0.00	1,255.51
T35	SCHOLARSHIP	0.00	330.00
T38	EXTRACLASSROOM ACTIVITY	0.00	72,336.58
T63001	DUE TO GENERAL FUND	0.00	3,401,378.63
T84	OTHER-NYS EMPL RETIRE LOAN	0.00	6,238.80
T85	OTHER-NYS EMPL RETIRE	0.00	7,320.74
T89	OTHER VOTE COPE	0.00	342.25
T91	LONG TERM DISABILITY	592.69	0.00
T931	SCHOOL ACTIVITIES-FJC	0.00	4,823.25
T932	SCHOOL ACTIVITIES-JAE	0.00	5,737.97
T933	SCHOOL ACTIVITIES-M/S	0.00	2,139.94
T9331	HIGH SCHOOL TESTING	0.00	7,270.12
T9335	NYSSMA	0.00	67.00
T9337	AP TEST DEPOSITS	0.00	18,753.23
T9338	MARK TWAIN DINNER	0.00	393.00
T935	SCHOOL ACTIVITIES-H/S	0.00	8,188.38
T9351	MUSIC DEPT. HIGH SCHOOL	0.00	681.00
T9352	SEAN JOHNS MEMORIAL-CHALLE	0.00	925.00
T936	FJC - KIDS IN NEED (RUTH S	0.00	600.00
FUND T TOTALS		3,582,835.53	3,582,835.53

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

SCHOLARSHIP FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
U200	CASH IN CHECKING	35,142.65	0.00
U2401	INTEREST	0.00	17.22
U3912	DUE FROM GENERAL	23.68	0.00
U9000	ALLISON FISCH VERADO SCHOL	0.00	0.50
U9001	RITA SULLIVAN SCHOLARSHIP	0.00	423.47
U9002	RYAN CAUFIELD SCHOLARSDHIP	0.00	23.69
U9003	ADMIN SCHOLARSHIP	0.00	1,074.52
U9004	K-MART	0.00	81.68
U9005	TARGET SCH HS/JR	0.00	43.45
U9006	TARGET SCHOLARSHIP JAE	0.00	267.13
U9007	TARGET SCHOLARSHIP	0.00	108.32
U9008	FRANCIS RYAN SCHOLARSHIP	0.00	253.26
U9009	GENERAL SCHOLARSHIP	0.00	62.61
U9010	AL MAIN SCHOLARSHIP	0.00	6,753.47
U9011	JOSEPH FALLICA	0.00	835.73
U9015	SASBO SCHOLARSHIP	0.00	0.92
U9016	SOUND BEACH MUSIC	0.00	0.92
U9018	LIVE LIKE SUSIE MEMORIAL S	0.00	24,719.44
U9020	INTERDIST.COUNCIL OF SUPTS	0.00	500.00
FUND U TOTALS		35,166.33	35,166.33

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FOR THE MONTH ENDED SEPTEMBER 2016**

DEBT SERVICE FUND

TRIAL BALANCE - FUND: A,C,F,H,T,U,V,X 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
V200	CASH	311,380.06	0.00
V391	DUE FROM CAPITAL	7,463.96	0.00
V3911	DUE FROM GENERAL	492.22	0.00
V522	EXPENDITURES	100,000.00	0.00
V630	DUE TO OTHER FUNDS	0.00	203,172.37
V909	FUND BALANCE, UNRESERVED	0.00	215,923.54
V980	REVENUES	0.00	240.33
FUND V TOTALS		419,336.24	419,336.24

REVENUE BUDGET STATUS - FUNDS: V FOR PERIOD COVERED 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	BUDGET	ADJUSTMENTS	REVISED BUDGET	REVENUE EARNED	UNEARNED REVENUE
V 2401	INTEREST EARNINGS	0.00	0.00	0.00	240.33	(240.33)
FUND V TOTAL		0.00	0.00	0.00	240.33	(240.33)

Report Completed 11:50 AM

APPROPRIATION STATUS REPORT - BY FUNCTION: FOR PERIOD 07/01/16 - 09/30/16 (Summary)

ACCOUNT GROUPING	ORIG BUDGET	ADJUSTMENTS	ADJ BUDGET	EXPENSED	ENCUMBERED	AVAILABLE
V 9901....	0.00	0.00	0.00	100,000.00	0.00	(100,000.00)
GRAND TOTALS	0.00	0.00	0.00	100,000.00	0.00	(100,000.00)

Report Completed 11:55 AM

**ROCKY POINT UNION FREE SCHOOL DISTRICT
STUDENT ACTIVITY ACCOUNTS
FOR THE MONTH ENDED SEPTEMBER 2016**

TRIAL BALANCE - FUND: X STUDENT ACTIVITY 07/01/16 - 09/30/16

ACCOUNT	ACCOUNT NAME	DEBITS	CREDITS
X201	CAPITAL ONE CHECKING	71,895.87	0.00
X391	DUE FROM OTHER FUNDS	440.71	0.00
X6002016	CLASS OF 2016	0.00	1,094.37
X6307	LEADERS CLUB	0.00	994.94
X6308	MATH HONOR SOCIETY	0.00	55.79
X6309	VARSITY CLUB	0.00	616.74
X6310	SCIENCE CLUB	0.00	270.43
X6351	STUDENT COUNCIL-MS	0.00	11,528.61
X6353	YEARBOOK-MS	0.00	5,094.15
X6402	MS SCHOOL STORE	0.00	260.52
X6403	BUSINESS CLUB	0.00	13.81
X6404	MS ROBOTICS CLUB	0.00	701.40
X6452	BE A NICER NEIGHBOR CLUB	0.00	1,794.66
X64521	BANN-KIN	0.00	1,907.49
X6453	FBLA CLUB	0.00	3.63
X6454	COMMUNITY SERVICE CLUB	0.00	2,731.35
X6457	SKILLS USA - HS COSMOTOLOG	0.00	35.66
X6460	GAY STRAIGHT ALLIANCE CLUB	0.00	0.10
X6461	HUMAN RIGHTS CLUB	0.00	66.12
X65010	S.A.D.D.	0.00	1,252.61
X650115	THESPIAN TROUPE #696	0.00	422.92
X65012	HS YEARBOOK CLUB	0.00	26,348.26
X65016	STUDENT COUNCIL	0.00	11,158.57
X65017	ART CLUB	0.00	1,366.04
X65018	BUSINESS HONOR SOCIETY	0.00	586.23
X65025	JAE STUDENT COUNCIL	0.00	3,501.61
X6533	ROBOTICS CLUB HS	0.00	493.90
X700	SURPLUS FUNDS	0.00	36.67
GRAND TOTALS		72,336.58	72,336.58

Report Completed 11:58 AM



John F. Dennehy
Certified Public Accountant

October 6, 2016

Board of Education
Rocky Point School District
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778

*Re: Internal Claims Audit Report for the period
September 1, 2016 through September 30, 2016*

Board of Education:

I have completed my internal claims auditing services for the Rocky Point School District covering the period September 1, 2016 through September 30, 2016. The services I performed, as outlined within my proposal, include reviewing all claims against the District. The purpose of this report is to update the Board of Education on work performed to date, my findings, and recommendations.

For ease of reference I have categorized the remainder of this report as follow:

Internal Claims Audit Services

Exhibits

INTERNAL CLAIMS AUDIT SERVICES

The internal claims audit services performed on each claim against the District consisted of:

1. Verification of the accuracy of invoices and claim forms
2. Ensuring proper approval of all purchases; checking that purchases constitute legal expenses of the school district
3. Determining that purchase orders have been issued in accordance with Board of Education policy, and applicable state laws

Board of Education
Rocky Point School District
October 6, 2016
Page 2

*Re: Internal Claims Audit Report for the time period of
September 1, 2016 through September 30, 2016*

4. Comparison of invoices or claims with previously approved contracts
5. Reviewing price extensions, claiming of applicable discounts, inclusion of shipping and freight charges
6. Approving all charges that are presented for payment which are supported with documentary evidence indicating compliance with all pertinent laws, policies and regulations

Over the time period of September 1, 2016 through September 30, 2016 I have audited 410 claims against the District in the amount of \$3,303,277.58. (See attached Exhibit I) I made inquiries and/ or observations into 86 claims in the amount of \$434,350.97 I have summarized the inquiries and/or observations as well as the resolutions within Exhibit II. It should be noted that currently, there is 1 outstanding inquiry in regards to the audit of the claims made against the District for the period of September 1, 2016 through September 30, 2016. I have summarized all voided checks and notable exceptions in Exhibit III.

I trust that the foregoing comments are clear. If you have any questions or you would like to discuss this matter further, please contact me at 631-928-5406.

Very truly yours,

John F. Dennehy, Jr.
Certified Public Accountant

Internal Claims Audit By Fund

Rocky Point School District

Exhibit I

Warrant Date	Audit Date	Warrant #	Fund	# of Checks	\$ Value of Checks	# of Inquiries	\$ Value of Inquiries	# of Resolved Inquiries	# of Outstanding Inquiries	Check Sequence
9/7/2016	9/7/2016	13	A	52	108,732.05	12	70,358.44	12	-	103938-103989
9/14/2016	9/14/2016	14	A	78	871,257.11	22	43,452.89	22	-	103990-104067
9/21/2016	9/21/2016	16	A	84	810,053.02	30	212,856.51	29	1	104068-104149
9/28/2016	9/28/2016	17	A	59	235,772.11	10	85,598.47	10	-	104150-104208
9/30/2016	10/5/2016	19	A	44	84,377.19	8	8,507.38	8	-	104209-104252
9/14/2016	9/14/2016	6	C	16	14,070.21	3	4,445.58	3	-	10529-10544
9/30/2016	10/5/2016	7	C	19	26,079.23	-	-	-	-	10545-10563
9/14/2016	9/14/2016	4	F	1	3,311.00	-	-	-	-	4244
9/21/2016	9/21/2016	5	F	1	8,067.40	-	-	-	-	4245
9/28/2016	9/28/2016	6	F	1	975.84	-	-	-	-	4246
9/7/2016	9/7/2016	2	H	1	9,131.70	1	9,131.70	1	-	895
9/14/2016	9/14/2016	11	T	1	(118.37)	-	-	-	-	(void 11188)
9/16/2016	9/16/2016	12	T	24	569,610.98	-	-	-	-	11200-11205,
9/28/2016	9/28/2016	13	T	1	339.00	-	-	-	-	5113683-5113700
9/30/2016	10/5/2016	14	T	27	561,510.54	-	-	-	-	11206
9/14/2016	9/14/2016	3	X	1	108.57	-	-	-	-	11207-11215,
TOTAL				410	\$ 3,303,277.58	86	\$ 434,350.97	85	1	5113701-5113718
10979										

Legend:

A - General	P (A) - Chase General
C - Cafeteria	T - Trust & Agency
F - Federal	HB - Bond 2003
H - Capital	CM- Misc Spec Revenue
HCP - Capital Projects	TE-Expendable Trust

John F. Dennehy, Jr.
Certified Public Accountant , PC

Rocky Point School District
Claims Audit - Analysis by Number of Inquiries & Dollar Value
Summary of Inquiries / Resolutions and Percentage of Total Claims & Dollar Value of Claims
Exhibit II

Analysis by Number of Inquiries

2016 / 2017 YTD

Reason For Inquiry	Resolution	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
All invoices not reflected on check	Pay unpaid invoice(s) next warrant	- 0.00%	1 0.37%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Check amount not equal to invoices	Difference <\$1; Immaterial, claim paid	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Check amount not equal to invoices	Will pay balance with next invoice	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Check amount not equal to invoices	Void & reissue	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Current year expense paid prior year P.O.	P.O. Funds carried over	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Incorrect vendor name	Void & reissue	7 3.54%	13 4.80%	18 6.39%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Insufficient supporting backup	Hold for missing information	- 0.00%	0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Insufficient supporting backup	Backup Provided	- 0.00%	0.00%	3 0.72%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Insufficient supporting backup	Void check	1 0.46%	5 1.85%	1 0.34%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Invoice date precedes PO date	Noted by Business Office	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Invoice over 90 days outstanding/undated	Verified no duplicate payment	12 5.56%	32 11.81%	87 30.22%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Invoice previously stamped by claims auditor	Original check did not pay invoice in full	7 3.26%	1 0.37%	7 1.71%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Missing administrator approval signature	Received proper authorization	1 0.46%	1 0.37%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Missing receiving signature on invoice or PO	Verified receipt of goods/services	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
No Purchase Order encumbered	Void & reissue after P.O. encumbered	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Not an original invoice	Copy, fax or statement accepted	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Paid sales tax	Amount immaterial (< \$5), claim paid	9 4.17%	6 2.21%	12 4.33%	- #DIV/0!	- #DIV/0!	- #DIV/0!
PO insufficient funds	PO funds increased post invoice/paid direct from budget code	- 0.00%	- 0.00%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Prior year invoice paid current year funds	Noted by Business Office	14 6.48%	5 1.85%	2 0.69%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Pre-dated Invoice	Hold until service date	0.00%	5 1.85%	6 1.46%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Xtra Class club purchased gift cards for needy family	Utilizing recipient verification procedure through school social worker	- 0.00%	1 0.37%	- 0.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Total Number (#) of Inquiries		51 23.61%	70 25.83%	86 30.93%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Total Claims Audited		216 100.00%	271 100.00%	410 100.00%	- #DIV/0!	- #DIV/0!	- #DIV/0!
Total Outstanding Inquiries		0 0.00%	1 0.37%	1 0.24%	0 #DIV/0!	0 #DIV/0!	0 #DIV/0!

Rocky Point School District
Claims Audit - Analysis by Number of Inquiries & Dollar Value
Summary of Inquiries / Resolutions and Percentage of Total Claims & Dollar Value of Claims
Exhibit II

Analysis by Dollar Value

2016 / 2017 YTD

Reason Per Inquiry	Resolution	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
All invoices not reflected on check	Pay unpaid invoice(s) next warrant	-	399.11	-	-	-	-
Check amount not equal to invoices	Difference <\$1; Immaterial, claim paid	0.00%	0.01%	0.00%	0.00%	#DIV/0!	#DIV/0!
Check amount not equal to invoices	Will pay balance with next invoice	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Check amount not equal to invoices	Void & reissue	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Current year expense paid prior year P.O.	P.O. Funds carried over	68,756.17	-	-	-	#DIV/0!	#DIV/0!
Incorrect vendor name	Void & reissue	2.59%	1.02%	3.88%	0.00%	#DIV/0!	#DIV/0!
Insufficient supporting backup	Hold for missing information	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Insufficient supporting backup	Backup Provided	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Insufficient supporting backup	Void check	600.00	3.82%	0.01%	0.00%	#DIV/0!	#DIV/0!
Invoice date precedes PO date	Noted by Business Office	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Invoice over 90 days outstanding/undated	Verified no duplicate payment	299,841.89	11.58%	7.31%	0.00%	#DIV/0!	#DIV/0!
Invoice previously stamped by claims auditor	Original check did not pay invoice in full	12,961.00	0.61%	1.01%	0.00%	#DIV/0!	#DIV/0!
Missing administrator approval endorsement	Received proper authorization	95.00	0.01%	0.00%	0.00%	#DIV/0!	#DIV/0!
Missing receiving signature on invoice or PO	Verified receipt of goods/services	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
No Purchase Order encumbered	Void & reissue after P.O. encumbered	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Not an original invoice	Copy, fax or statement accepted	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Paid sales tax	Amount immaterial (< \$5), claim paid	38,612.66	0.87%	0.57%	0.00%	#DIV/0!	#DIV/0!
PO insufficient funds	PO funds increased post invoice/paid direct from budget code	513,700.33	24.08%	1.46%	0.04%	#DIV/0!	#DIV/0!
Prior year invoice paid current year funds	Noted by Business Office	0.00%	0.00%	0.00%	0.00%	#DIV/0!	#DIV/0!
Pre-dated Invoice	Hold until service date	0.00%	0.29%	0.04%	0.00%	#DIV/0!	#DIV/0!
Xtra Class club purchased gift cards for needy family	Utilizing recipient verification procedure through school social worker	0.00%	0.03%	0.00%	0.00%	#DIV/0!	#DIV/0!
Total Value (\$) of Inquiries		929,567.05	603,943.80	484,350.97			
Total Claims Audited		2,133,068.81	3,242,995.74	3,803,277.58			
Total Outstanding Inquiries		-	975.00	12.81			

**Rocky Point School District
Internal Claims Audit
Notable Exceptions
Exhibit III**

Void Checks - September 2016

Fund	Ck #	Amount \$	Vendor	Warrant #	Warrant Date	Reason For Inquiry	Resolution
None		-					
Total	0 Voids	-					

Other Notable Exceptions - September 2016

Fund	Ck #	Amount \$	Vendor	Warrant #	Warrant Date	Reason For Inquiry	Resolution
None		-					
Total	0 Inquiries	-					

**Rocky Point School District
Internal Claims Audit
Payroll Audit
Exhibit IV**

Audited Payroll Checks - September 2016

Fund	Ck #	Amount \$	Employee	Payroll Date	Exceptions
PR	93133	3,156.47	Perrotte, Jennifer	9/16/2016	None
PR	242139	1,395.47	Glennon, Erin E	9/16/2016	None
PR	242157	2,044.14	Napolitano, Nicole A	9/16/2016	None
PR	242186	2,689.70	Craig, Joann	9/16/2016	None
PR	242209	2,432.19	O'Brien, Theresa	9/16/2016	None
PR	242579	2,414.14	Meschi, Jennifer M	9/30/2016	None
PR	242827	2,222.79	Guinther, Scott	9/30/2016	None
PR	242956	624.21	Saporita, Josephine	9/30/2016	None
PR	242989	760.30	Bianco, Patrizia	9/30/2016	None
PR	243005	583.65	Hernandez, Miriam C	9/30/2016	None
		18,323.06			

*Please note all checks have been selected at random using a random number generator.

**A result of no exceptions means that the the payroll check is accurate when compared against contracts, renewal letters and other documents.

John F. Dennehy, Jr.
Certified Public Accountant, PC

Interoffice Memorandum

TO: *Dr. Michael Ring, Superintendent*

FROM: *Andrea Moscatiello, Director of Special Education*

DATE: *10/11/2016*

RE: *Board Action Sheets*

Below please find the schedule to be approved at the 10/24/2016 Board of Education meeting:

SCHEDULE A		
Year	Date	Location
2016-2017	09/16/2016	Summit School
	09/19/2016	RPMS Committee
	09/19/2016	RPMS Committee
	09/22/2016	FJC Committee
	09/23/2016	RPHS Committee
	09/29/2016	RPHS Committee
	09/30/2016	RPMS Committee
2016-2017	September & October	District Wide Amendments without meetings

Dr. Michael Ring - Board Action Sheets
AM/em

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy'

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision	Placement Recommendation / School
09/16/2016	10/24/2016	Subcommittee on Special Education / Program Review	Classified	Approved Private School - Residential(APS-R) / Summit School

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class	09/27/2016	06/23/2017	12:1+1	5	Weekly	6hr.	Special Location
Counseling	09/27/2016	06/23/2017	Individual	2	Weekly	30min.	Special Location

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy'

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision	Placement Recommendation / School
09/19/2016	10/24/2016	Subcommittee on Special Education / Program Review	Classified	BOCES Class in a Public School(BOCES-PSD) / BOCES ES Jefferson Academic Center

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class	09/19/2016	06/23/2017	8:1+1	5	Weekly	6hr.	Classroom
Speech/Language Therapy	09/19/2016	06/23/2017	Small Group (5:1)	2	Weekly	30min.	Therapy Room or Classroom
Occupational Therapy	09/19/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Therapy Room or Classroom
Counseling-Social Skills Training	09/19/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Counselor's Office/Classroom
Counseling - Social Worker	09/19/2016	06/23/2017	Individual	1	Weekly	30min.	Counselor's Office
Aide	09/16/2016	06/23/2017	1:1	8	Daily	42 minutes	Throughout the School Day

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy'								Grade: [REDACTED]
Meeting Date	BOE Date	Committee / Reason			Decision	Placement Recommendation / School		
09/19/2016	10/24/2016	Subcommittee on Special Education / Program Review			Classified	Home Public School District(HPSD) / Rocky Point Middle School		
<u>Recommended Program/Service</u>		<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class - Reading		09/20/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Integrated Co-teaching Services (ICT-Science)		09/07/2016	06/23/2017		1	Daily	42min.	Classroom
Integrated Co-teaching Services (ICT-Social Studies)		09/07/2016	06/23/2017		1	Daily	42min.	Classroom
Special Class - Math		09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Special Class - English		09/20/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Speech/Language Therapy		09/20/2016	06/23/2017	Individual	1	Weekly	42min.	Therapy Room or Classroom
Speech/Language Therapy		09/20/2016	06/23/2017	Small Group (5:1)	1	Weekly	42min.	Therapy Room or Classroom
Counseling - Social Worker		09/07/2016	06/23/2017	Small Group	1	Weekly	42min.	Counselor's Office

Student: 'Board of Education Copy'								Grade: [REDACTED]
Meeting Date	BOE Date	Committee / Reason			Decision	Placement Recommendation / School		
09/19/2016	10/24/2016	Subcommittee on Special Education / Reevaluation Review			Declassified Support Services	Home Public School District(HPSD) / Rocky Point Middle School		
<u>Recommended Program/Service</u>		<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Resource Room Program		09/19/2016	06/23/2017	5:1	1	Daily	42min.	Classroom

Student: 'Board of Education Copy'								Grade: [REDACTED]
Meeting Date	BOE Date	Committee / Reason			Decision	Placement Recommendation / School		
09/19/2016	10/24/2016	Subcommittee on Special Education / Program Review			Classified	Home Public School District(HPSD) / Rocky Point Middle School		
<u>Recommended Program/Service</u>		<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Resource Room Program		09/07/2016	06/23/2017	5:1	1	Daily	42min.	Classroom

Student: 'Board of Education Copy'								Grade: [REDACTED]
Meeting Date	BOE Date	Committee / Reason			Decision	Placement Recommendation / School		
09/19/2016	10/24/2016	Subcommittee on Special Education / Initial Eligibility Determination Meeting			Classified	Home Public School District(HPSD) / Rocky Point Middle School		
<u>Recommended Program/Service</u>		<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Resource Room Program		09/07/2016	06/23/2017	5:1	1	Daily	42min.	Resource Room or Classroom

**Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education**

Student: 'Board of Education Copy'				Grade: <input type="text"/>				
Meeting Date	BOE Date	Committee / Reason	Decision					
09/22/2016	10/24/2016	Subcommittee on Special Education / Requested Review	Classified					
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class	09/07/2016	06/23/2017	15:1	6	Daily	40min.	Classroom	
Occupational Therapy	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Therapy Room or Classroom	
Counseling-Social Skills Counseling	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Therapy Room or Classroom	
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	4	Yearly	30min.	Special Location	

Student: 'Board of Education Copy'				Grade: <input type="text"/>				
Meeting Date	BOE Date	Committee / Reason	Decision					
09/22/2016	10/24/2016	Committee on Special Education / Requested Review	Classified					
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class	09/07/2016	06/23/2017	15:1	6	Daily	40min.	Classroom	
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	4	Yearly	30min.	Conference Room	
Occupational Therapy	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Therapy Room or Classroom	
Counseling-Social Skills Counseling	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Counselor's Office/Classroom	

Student: 'Board of Education Copy'				Grade: <input type="text"/>				
Meeting Date	BOE Date	Committee / Reason	Decision					
09/22/2016	10/24/2016	Subcommittee on Special Education / New Entrant with IEP	Classified					
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class	09/22/2016	06/23/2017	15:1	6	Daily	40min.	Classroom	
Occupational Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Classroom/Therapy Room	
Physical Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Classroom/Therapy Room	

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy'

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision	Placement Recommendation / School
09/23/2016	10/24/2016	Subcommittee on Special Education / Requested Review	Classified	Home Public School District(HPSD) / Rocky Point High School

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class	09/07/2016	06/23/2017	12:1+2	3	Daily	42min.	Classroom
Special Class	07/04/2016	08/12/2016	12:1+1	5	Weekly	3hr.	Classroom
Applied Behavioral Analysis Services	09/07/2016	06/23/2017	Individual	2	Weekly	1hr.	Home
Counseling-Social Skills Training	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	42min.	Counselor's Office/Classroom
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group (5:1)	2	Weekly	42min.	Therapy Room or Classroom
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	1	Weekly	1hr.	Home
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	4	Yearly	42min.	Counselor's Office
Applied Behavioral Analysis Services	07/04/2016	08/12/2016	Individual	1	Weekly	1hr.	Home
Parent Counseling and Training	07/04/2016	08/12/2016	Individual	1	Weekly	1hr.	Home
Speech/Language Therapy	07/04/2016	08/12/2016	Individual	2	Weekly	30min.	Classroom
Home ABA	07/04/2016	08/12/2016	Individual	1	Weekly	1hr.	Home
Aide	09/07/2016	06/23/2017	5:1	8	Daily	42 minutes	Classroom

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy'

AIID#:

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision	Placement Recommendation / School
09/29/2016	10/24/2016	Committee on Special Education / Program Review	Classified	Home Public School District(HPSD) / Rocky Point High School

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>
Special Class - Math	09/07/2016	06/23/2017
Special Class - English	09/07/2016	06/23/2017
Special Class - Social Studies	09/07/2016	06/23/2017
Special Class - Science	09/07/2016	06/23/2017
Counseling-Social Skills Training	09/07/2016	06/23/2017
Speech/Language Therapy	09/07/2016	06/23/2017

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy'

Grade: _____

Meeting Date	BOE Date	Committee / Reason			Decision Classified	Placement Recommendation / School		
09/30/2016	10/24/2016	Subcommittee on Special Education / Requested Review				Home Public School District(HPSD) / Rocky Point Middle School		
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Integrated Co-teaching Services (ICT-Science)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Special Class - English (Special Class ELA)	09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom	
Special Class - Math	09/07/2016	06/23/2017	12:1+1	1	Daily	42min.	Classroom	
Integrated Co-teaching Services (ICT-Social Studies)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Special Class	07/04/2016	08/12/2016	1:1	2	Weekly	1hr.	DaVinci Center	
Speech/Language Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	42min.	Therapy Room or Classroom	
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group (5:1)	2	Weekly	42min.	Therapy Room or Classroom	
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	4	Yearly	42min.	Conference Room	
Occupational Therapy	09/07/2016	06/23/2017	Individual	1	Weekly	42min.	Therapy Room or Classroom	
Speech/Language Therapy	07/04/2016	08/12/2016	Individual	2	Weekly	30min.	Home	
Individual Aide	09/07/2016	06/23/2017		8	Daily	Throughout the School Day	School	

Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education

Student: 'Board of Education Copy' **Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision					
05/19/2016	10/24/2016	Subcommittee on Special Education / Amendment	Classified					
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Integrated Co-teaching Services (ICT-English)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Integrated Co-teaching Services (ICT-Math)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Integrated Co-teaching Services (ICT-Science)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Integrated Co-teaching Services (ICT-Social Studies)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group (5:1)	2	Weekly	42min.	Therapy Room or Classroom	
Counseling-Social Skills Training	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	42min.	Counselor's Office/Classroom	
Parent Counseling and Training Aide	09/07/2016	06/23/2017	Individual	1	Yearly	42min.	Conference Room	
	09/07/2016	06/23/2017	1:1	4	Daily	42 minutes	classroom	

Student: 'Board of Education Copy' **Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision					
09/26/2016	10/24/2016	Subcommittee on Special Education / Amendment	Classified					
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class (Home Instruction)	09/26/2016	06/23/2017	1:1	1	Daily	1hr.	Home	
Counseling-Social Skills Counseling	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	30min.	Therapy Room or Classroom	

Student: 'Board of Education Copy' **Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision					
09/15/2016	10/24/2016	Subcommittee on Special Education / Amendment - Agreement No Meeting	Classified					
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Integrated Co-teaching Services (ICT-English)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Integrated Co-teaching Services (ICT-Social Studies)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom	
Special Class (Learning Lab - Study Skills)	09/19/2016	06/23/2017	15:1	1	Every Other Day	42min.	Classroom	

Student: Board of Education Copy**Grade:** 1

Meeting Date	BOE Date	Committee / Reason	Decision
09/15/2016	10/24/2016	Committee on Special Education / Amendment	Classified

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class	09/07/2016	06/23/2017	12:1+1	5	Daily	42min.	Classroom
Special Class	07/04/2016	08/12/2016	12:1+1	1	Daily	5hr.	Classroom
Counseling-Social Skills Training	09/07/2016	06/23/2017	Small Group (5:1)	1	Weekly	42min.	Classroom/Counselors Office
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group (5:1)	2	Weekly	42min.	Therapy Room or Classroom
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	4	Yearly	42min.	Special Location
Shared Aide	09/07/2016	06/23/2017		5	Daily	Throughout the School Day	Classroom

Student: Board of Education Copy**Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision
09/20/2016	10/24/2016	Subcommittee on Special Education / Amendment	Classified

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class (Home Instruction)	09/26/2016	11/30/2016	1:1	5	Weekly	2hr.	Home
Consultant Teacher Services (Work Experience Program)	09/26/2016	01/23/2017	Direct and Indirect	5	Weekly	1hr.	Home/Community
Special Class (Home Instruction)	12/01/2016	01/23/2017	1:1	5	Weekly	3hr.	Home/Community
Special Class	07/04/2016	08/12/2016	8:1	5	Weekly	6hr.	Special Classes

Student: Board of Education Copy**Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision
09/19/2016	10/24/2016	Committee on Special Education / Amendment	Classified

<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class	09/07/2016	06/23/2017	6:1+3	5	Weekly	5hr. 30min.	Classroom
Special Class	07/04/2016	08/12/2016	6:1+3	1	Daily	6hr.	School
Applied Behavioral Analysis Services	09/07/2016	06/23/2017	Individual	4	Weekly	1hr.	Home/Community
Speech/Language Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group (3:1)	1	Weekly	30min.	Classroom
Occupational Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom
Physical Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom

Psychological Counseling Services	09/07/2016	06/23/2017	Individual	3	Weekly	30min.	Counselor's Office/Classroom
Parent Counseling and Training	09/07/2016	06/23/2017	Small Group	1	Monthly	1hr.	School
Speech/Language Therapy	07/04/2016	08/12/2016	Individual	2	Weekly	30min.	Classroom
Speech/Language Therapy	07/04/2016	08/12/2016	Small Group (3:1)	1	Weekly	30min.	Classroom
Applied Behavioral Analysis Services	07/04/2016	08/12/2016	Individual	4	Weekly	1hr.	Home
Occupational Therapy	07/04/2016	08/12/2016	Individual	2	Weekly	30min.	Special Location
Physical Therapy	07/04/2016	08/12/2016	Individual	2	Weekly	30min.	Special Location
Psychological Counseling Services	07/04/2016	08/12/2016	Individual	3	Weekly	30min.	Counselor's Office/Classroom

Student: 'Board of Education Copy'

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision
09/14/2016	10/24/2016	Subcommittee on Special Education / Amendment - Agreement No Meeting	Classified

Recommended Program/Service	Start Date	End Date	Ratio	Frequency	Period	Duration	Location
Integrated Co-teaching Services (ICT-English)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom
Integrated Co-teaching Services (ICT-Social Studies)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom

Student: 'Board of Education Copy'

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision
09/29/2016	10/24/2016	Committee on Special Education / Amendment - Agreement No Meeting	Classified

Recommended Program/Service	Start Date	End Date	Ratio	Frequency	Period	Duration	Location
Integrated Co-teaching Services (ICT-English)	10/05/2016	06/23/2017		5	Weekly	42min.	Classroom
Integrated Co-teaching Services (ICT-Social Studies)	10/05/2016	06/23/2017		5	Weekly	42min.	Classroom
Resource Room Program	10/05/2016	06/23/2017	5:1	5	Weekly	42min.	Resource Room

Student: 'Board of Education Copy'

Grade:

Meeting Date	BOE Date	Committee / Reason	Decision
10/07/2016	10/24/2016	Subcommittee on Special Education / Amendment - Agreement No Meeting	Classified

Recommended Program/Service	Start Date	End Date	Ratio	Frequency	Period	Duration	Location
Integrated Co-teaching Services (ICT-English)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom
Integrated Co-teaching Services (ICT-Math)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom

Counseling-Social Skills Training	09/07/2016	06/23/2017	Individual	2	Monthly	42min.	Counselor's Office/Special Location
Occupational Therapy Consultation	09/07/2016	06/23/2017		1	Monthly	30 minutes	Classroom

Student: 'Board of Education Copy' **Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision				
09/16/2016	10/24/2016	Committee on Special Education / Amendment	Classified				
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class	09/07/2016	06/23/2017	8:1+2	6	Daily	40min.	Classroom
Physical Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom
Speech/Language Therapy	09/07/2016	06/23/2017	Individual	3	Weekly	30min.	Therapy Room or Classroom
Occupational Therapy Aide	09/16/2016	06/23/2017	Individual	2	Weekly	30min.	Home
	09/07/2016	06/23/2017	1:1	8	Daily	40 minutes	Classroom/Therapy room.

Student: 'Board of Education Copy' **Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision				
10/07/2016	10/24/2016	Subcommittee on Special Education / Amendment - Agreement No Meeting	Classified				
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class - English	09/07/2016	06/23/2017	15:1	5	Weekly	42min.	Special Classes
Special Class - Social Studies	09/07/2016	06/23/2017	15:1	5	Weekly	42min.	Special Classes
Behavior Intervention Services	09/07/2016	06/23/2017	Individual	2	Monthly	1hr.	Home

Student: 'Board of Education Copy' **Grade:**

Meeting Date	BOE Date	Committee / Reason	Decision				
09/19/2016	10/24/2016	Subcommittee on Special Education / Amendment - Agreement No Meeting	Classified				
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class - Reading	09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Special Class - Math	09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Special Class - English	09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Integrated Co-teaching Services (ICT-Social Studies)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom
Integrated Co-teaching Services (ICT-Science)	09/07/2016	06/23/2017		1	Daily	42min.	Classroom

Student: 'Board of Education Copy' **Grade:**

--

Meeting Date 09/21/2016	BOE Date 10/24/2016	Committee / Reason Section 504 Committee / Amendment	Decision Section 504
-----------------------------------	-------------------------------	--	--------------------------------

Student: 'Board of Education Copy' **Grade:** _____

Meeting Date 09/19/2016	BOE Date 10/24/2016	Committee / Reason Subcommittee on Special Education / Amendment - Agreement No Meeting	Decision Classified				
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>
Special Class - English	09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Special Class - Social Studies	09/07/2016	06/23/2017	15:1	1	Daily	42min.	Classroom
Counseling-Social Skills Training	09/07/2016	06/23/2017	Small Group	1	Weekly	42min.	Counselor's Office/Special Location
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group	1	Weekly	42min.	Therapy Room or Classroom
Speech/Language Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	42min.	Therapy Room or Classroom
Parent Counseling and Training	09/07/2016	06/23/2017	Individual	1	Yearly	42min.	Special Location
Individual Aide	09/07/2016	06/23/2017		8	Daily	42 minutes	Classroom, Special Classes and Lunchroom.

Interoffice Memorandum

TO: *Dr. Michael Ring, Superintendent*

FROM: *Andrea Moscatiello, Director of Special Education*

DATE: *10/24/2016*

RE: *Board Action Sheets*

Below please find the schedule to be approved at the 10/24/2016 Board of Education meeting:

SCHEDULE- B 10/24/2016	
Date	Location
<i>9/13/2016</i>	<i>CPSE Amendment</i>
<i>9/20/2016</i>	<i>CPSE Committee</i>
<i>10/6/2016</i>	<i>CPSE Amendment</i>
<i>10/6/2016</i>	<i>CPSE Committee</i>

Dr. Michael Ring-Board Action Sheets-DD/kao

**Rocky Point Union Free School District
Committee Meeting Recommendations for Board of Education**

Student: 'Board of Education Copy'		AltID#:			Grade:			
Meeting Date	BOE Date	Committee / Reason	Decision		Placement Recommendation / School			
09/13/2016	10/24/2016	Committee on Preschool Special Education / Amendment	Classified Preschool		Approved Preschool Special Education Program(APSEP) / Developmental Disabilities Institute			
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class	09/07/2016	06/23/2017	6:1:3.5	5	Weekly	5hr.	Classroom	

Student: 'Board of Education Copy'		AltID#:			Grade:			
Meeting Date	BOE Date	Committee / Reason	Decision		Placement Recommendation / School			
10/06/2016	10/24/2016	Committee on Preschool Special Education / Amendment	Classified Preschool		Approved Preschool Special Education Program(APSEP) / Just Kids			
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class in an Integrated Setting	09/07/2016	06/23/2017	12:1+2	5	Weekly	5hr.	Classroom	
Speech/Language Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom	
Counseling - Psychological	09/07/2016	06/23/2017	Individual	1	Weekly	30min.	Therapy Room or Classroom	
Occupational Therapy	09/07/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom	
Speech/Language Therapy	09/07/2016	06/23/2017	Small Group	1	Weekly	30min.	Therapy Room or Classroom	

Student: 'Board of Education Copy'		AltID#:			Grade:			
Meeting Date	BOE Date	Committee / Reason	Decision		Placement Recommendation / School			
09/20/2016	09/26/2016	Committee on Preschool Special Education / Reevaluation Review	Classified Preschool		Approved Preschool Special Education Program(APSEP) / New Interdisciplinary School			
<u>Recommended Program/Service</u>	<u>Start Date</u>	<u>End Date</u>	<u>Ratio</u>	<u>Frequency</u>	<u>Period</u>	<u>Duration</u>	<u>Location</u>	
Special Class	09/08/2016	06/23/2017	8:1+2	5	Weekly	5hr.	Classroom	
Special Class	07/04/2016	08/12/2016	8:1+2	5	Weekly	5hr.	Classroom	
Speech/Language Therapy	09/08/2016	06/23/2017	Individual	3	Weekly	30min.	Therapy Room or Classroom	
Parent Counseling and Training	09/08/2016	06/23/2017	Individual	1	Monthly	1hr.	Conference Room	
Occupational Therapy	09/26/2016	06/23/2017	Individual	2	Weekly	30min.	Therapy Room or Classroom	
Speech/Language Therapy	07/04/2016	08/12/2016	Individual	2	Weekly	30min.	Therapy Room or Classroom	
Parent Counseling and Training	07/04/2016	08/12/2016	Individual	1	Monthly	1hr.	Conference Room	

Student: 'Board of Education Copy'		AltID#:			Grade:			
------------------------------------	--	---------	--	--	--------	--	--	--

Meeting Date	BOE Date	Committee / Reason	Decision	Placement Recommendation / School
10/06/2016	10/24/2016	Committee on Preschool Special Education / Initial Eligibility Determination Meeting	Ineligible	/

ROCKY POINT UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

ROCKY POINT UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page Number</u>
<u>INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENT</u>	
Independent Auditor's Report	
Statement of Cash Receipts and Disbursements For the Fiscal Year Ended June 30, 2016	1
Note to Financial Statement	2

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Rocky Point Union Free School District

We have audited the accompanying financial statement of Rocky Point Union Free School District's Extraclassroom Activity Funds, as of and for the fiscal year ended June 30, 2016, and the related note to the financial statement, which collectively comprise the Rocky Point Union Free School District's Extraclassroom Activity Funds basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note B; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity'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 statement.

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

Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash receipts and disbursements of the Rocky Point Union Free School District's Extraclassroom Activity Funds, for the fiscal year ended June 30, 2016, in accordance with the basis of accounting as described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 14, 2016

**ROCKY POINT UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Extraclassroom Account</u>	<u>Balance July 1, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2016</u>
Class of 2014	\$ 529	\$ -	\$ 529	\$ -
Class of 2015	453	-	453	-
Class of 2016	-	4,558	3,463	1,095
Art Club	1,363	3	-	1,366
Bann-Kin	1,723	195	11	1,907
Business Club	14	-	-	14
Business Honor Society	585	1	-	586
Community Service	1,819	3,064	2,152	2,731
FBLA Club	4	-	-	4
Gay/Straight Alliance	-	150	150	-
Human Rights Club	-	537	471	66
JAE Student Council	3,803	285	586	3,502
Leaders Club	1,914	8,116	9,035	995
Math Honor Society	55	1	-	56
Nicer Neighbor Club	378	3,657	1,374	2,661
Robotics - HS	493	1	-	494
Robotics - MS	247	454	-	701
SADD	851	202	-	1,053
School Store - MS	259	1	-	260
Science Club	269	1	-	270
Skills USA	350	2,713	3,027	36
Student Council - HS	15,131	4,279	8,252	11,158
Student Council -MS	10,531	3,029	1,922	11,638
Thespian Troupe	512	1,051	1,140	423
Varsity Club	1,342	5,575	6,300	617
Yearbook - MS	4,644	11,285	1,153	14,776
Yearbook Club HS	25,085	20,060	18,797	26,348
Total	\$ 72,354	\$ 69,218	\$ 58,815	\$ 82,757

**ROCKY POINT UNION FREE SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
NOTE TO FINANCIAL STATEMENT
JUNE 30, 2016**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The extraclassroom activity funds represent funds of the students of the Rocky Point Union Free School District (the "District"). Although the extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management, the Board of Education exercises general oversight of these funds. Based on this criterion, the extraclassroom activity funds are included in the Districts reporting entity. The District reports these assets held by it as agent for the extraclassroom organizations in an agency fund in the Statement of Fiduciary Net Position – Fiduciary Funds.

B. Basis of Accounting

The accounts of the extra classroom activity funds are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statement.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

ROCKY POINT UNION FREE SCHOOL DISTRICT

TABLE OF CONTENTS

I. INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS

Independent Auditor's Report

<u>Exhibit Number</u>		<u>Page</u>
1	Management's Discussion and Analysis (Required Supplementary Information) (MD&A)	3-12
2	Statement of Net Position	13
3	Statement of Activities	14
4	Balance Sheet – Governmental Funds	15
5	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	16
6	Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Funds	17
7	Reconciliation of Governmental Fund Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	18
8	Statement of Fiduciary Net Position – Fiduciary Funds	19
9	Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
10	Notes to Financial Statements	21-42

II. REQUIRED SUPPLEMENTARY INFORMATION

SS1	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	43
SS2	Schedule of Funding Progress of Other Post-Employment Benefits	44
SS3	Schedule of the District's Contributions	45
SS4	Schedule of the District's Proportionate Share of the Net Pension Liability	46

III. OTHER SUPPLEMENTARY INFORMATION

SS5	Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit	47
SS6	Schedule of Project Expenditures - Capital Projects Fund	48
SS7	Net Investment in Capital Assets	49

IV. INDEPENDENT AUDITOR'S 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*

Robert S. Abrams
(1926–2014)



Marianne E. Van Duyne, CPA
Alexandria M. Battaglia, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Rocky Point Union Free School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary funds of the Rocky Point Union Free School District, as of and for the fiscal year ended June 30, 2016, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity'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, each major fund and the fiduciary funds of the Rocky Point Union Free School District, as of June 30, 2016, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749
WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606
PHONE: (631) 234-4444 • FAX: (631) 234-4234

www.rsabrams.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of District's proportionate share of the net pension liability, and the schedule of District's contributions on pages 3 through 12 and 43 through 46, respectively, 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 Rocky Point Union Free School District's basic financial statements. The other supplementary financial information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplementary financial information is the responsibility of management and was derived from and relates 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 financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016 on our consideration of the Rocky Point Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rocky Point Union Free School District's internal control over financial reporting and compliance.

R. S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 14, 2016

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The Rocky Point Union Free School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2016 and 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

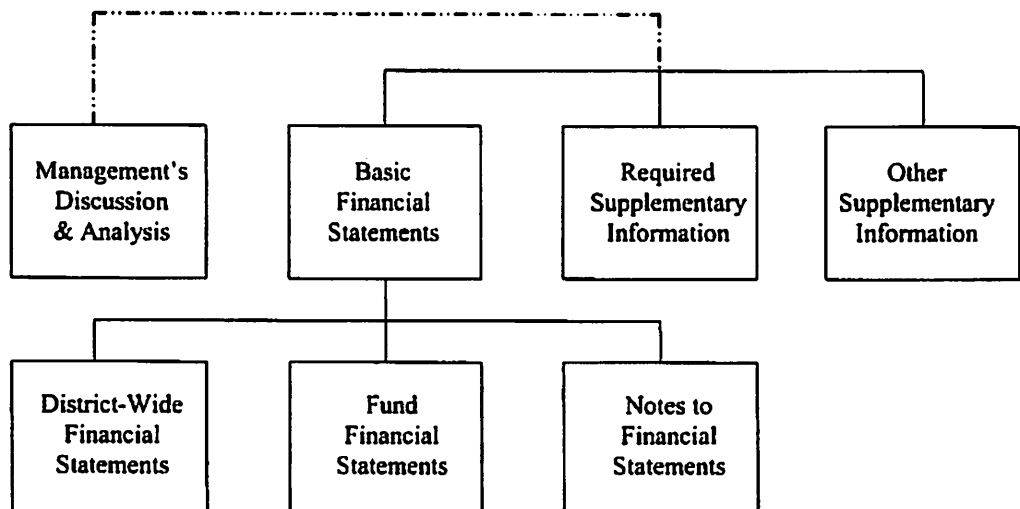
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2016, are as follows:

- The District's total net position, as reflected in the district-wide financial statements, increased by \$4,681,502.
- The District's expenses for the year, as reflected in the district-wide financial statements, totaled \$75,217,286. Of this amount, \$920,237 was offset by program charges for services. General revenues of \$76,391,506 amount to 95.61% of total revenues.
- The general fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$2,685,036 to \$23,955,420. This was due to excess revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- The District received \$2,587,045 in operating grants to support instruction, pupil transportation and food service programs.
- State sources increased by \$1,055,960 to \$27,941,403 in 2016 from \$26,885,443 in 2015.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

A. District-wide Financial Statements

The district-wide financial statements present the governmental activities of the District and are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two district-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five individual governmental funds, general fund, school lunch fund, special aid fund, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position:

The District's total net position increased by \$4,681,502 between fiscal year 2015 and 2016. A summary of the District's Statement of Net Position for June 30, 2016 and 2015, is as follows:

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current and other assets	\$ 31,094,804	\$ 29,800,131	\$ 1,294,673	4.34%
Capital assets, (net of depreciation)	46,585,664	48,072,029	(1,486,365)	(3.09%)
Net pension asset - proportionate share	<u>19,951,689</u>	<u>21,408,959</u>	<u>(1,457,270)</u>	(6.81%)
Total Assets	<u>97,632,157</u>	<u>99,281,119</u>	<u>(1,648,962)</u>	(1.66%)
Deferred outflows of resources	<u>7,235,524</u>	<u>5,513,539</u>	<u>1,721,985</u>	31.23%
Total Assets and Deferred Outflows of Resources	<u>\$ 104,867,681</u>	<u>\$ 104,794,658</u>	<u>\$ 73,023</u>	0.07%
Other liabilities	\$ 6,621,117	\$ 7,966,145	\$ (1,345,028)	(16.88%)
Long-term liabilities	<u>55,884,491</u>	<u>51,645,817</u>	<u>4,238,674</u>	8.21%
Total Liabilities	62,505,608	59,611,962	2,893,646	4.85%
Deferred inflows of resources	<u>7,666,362</u>	<u>15,168,487</u>	<u>(7,502,125)</u>	(49.46%)
Total Liabilities and Deferred Inflows of Resources	<u>70,171,970</u>	<u>74,780,449</u>	<u>(4,608,479)</u>	(6.16%)
Net position				
Net investment in capital assets	\$ 33,726,312	\$ 32,680,594	\$ 1,045,718	3.20%
Restricted	18,536,968	16,749,570	1,787,398	10.67%
Unrestricted (deficit)	<u>(17,567,569)</u>	<u>(19,415,955)</u>	<u>1,848,386</u>	9.52%
Total Net Position	<u>34,695,711</u>	<u>30,014,209</u>	<u>4,681,502</u>	15.60%
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 104,867,681</u>	<u>\$ 104,794,658</u>	<u>\$ 73,023</u>	0.07%

Current and other assets increased by \$1,294,673, as compared to the prior year. The increase is primarily due to an increase in the District's cash balances used for operations during the year offset by a reduction in amount due from other governments.

Capital assets (net of depreciation) decreased by \$1,486,365, as compared to the prior year. This decrease is due to depreciation exceeding amounts expended for capital additions. Note 7 to the Financial Statements provides additional information.

Net pension asset –proportionate share provided by the Teachers' Retirement System decreased by \$1,457,270, as compared to the prior year.

Deferred outflows of resources provided by the Retirement Systems and the District's contributions subsequent to measurement date increased by \$1,721,985, as compared to the prior year.

Other liabilities decreased by \$1,345,028 as compared to the prior year. This decrease is primarily a result of an decrease in liabilities to the retirement systems.

Long-term liabilities increased by \$4,238,674, as compared to the prior year. This increase is primarily the result of the District recognizing an increase in the other postemployment benefits (OPEB), compensated absences, and net pension liability – proportionate share which exceeded the repayment of bond principal and reduction in workers' compensation claims liabilities.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Deferred inflows of resources decreased by \$7,502,125 due to an increase in amounts provided by the Teachers' Retirement System exceeding the annual amortization of deferred amounts from refunding of debt. Note 12 to the Financial Statements provides additional details.

The net investment in capital assets portion of the District's net position is calculated by subtracting the amount of outstanding debt net of unspent bond proceeds but including the deferred inflows on the advance refunding used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations. This number increased from the prior year by \$1,045,718, primarily due to a reduction in related debt exceeding depreciation.

The restricted net position at June 30, 2016, of \$18,536,968 is comprised of amounts with constraints placed on the use either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Note 1 to the basic financial statements provides further descriptions and detailed balances.

The unrestricted deficit portion of the District's net position at June 30, 2016, is \$17,567,569, which represents the amount by which the District's liabilities, excluding debt related to capital construction, and deferred inflows of resources related to pensions, exceeded its assets, other than capital assets, and deferred outflows of resources.

B. Changes in Net Position:

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2016 and 2015 is as follows:

Revenues	2016	2015	Increase (Decrease)	Percentage Change
Program revenues				
Charges for services	\$ 920,237	\$ 926,915	\$ (6,678)	(0.72%)
Operating grants and contributions	2,587,045	2,358,685	228,360	9.68%
General revenues				
Property taxes and other tax items	47,724,998	46,929,059	795,939	1.70%
State sources	27,941,403	26,885,443	1,055,960	3.93%
Other	<u>725,105</u>	<u>700,151</u>	<u>24,954</u>	3.56%
Total Revenues	<u>79,898,788</u>	<u>77,800,253</u>	<u>2,098,535</u>	2.70%
Expenses				
General support	8,794,104	9,082,035	(287,931)	(3.17%)
Instruction	59,936,836	58,275,705	1,661,131	2.85%
Pupil transportation	4,792,446	4,652,627	139,819	3.01%
Debt service-unallocated interest	645,054	726,030	(80,976)	(11.15%)
Food service	<u>1,048,846</u>	<u>1,225,334</u>	<u>(176,488)</u>	(14.40%)
Total Expenses	<u>75,217,286</u>	<u>73,961,731</u>	<u>1,255,555</u>	1.70%
Total Change in Net Position	<u>\$ 4,681,502</u>	<u>\$ 3,838,522</u>	<u>\$ 842,980</u>	21.96%

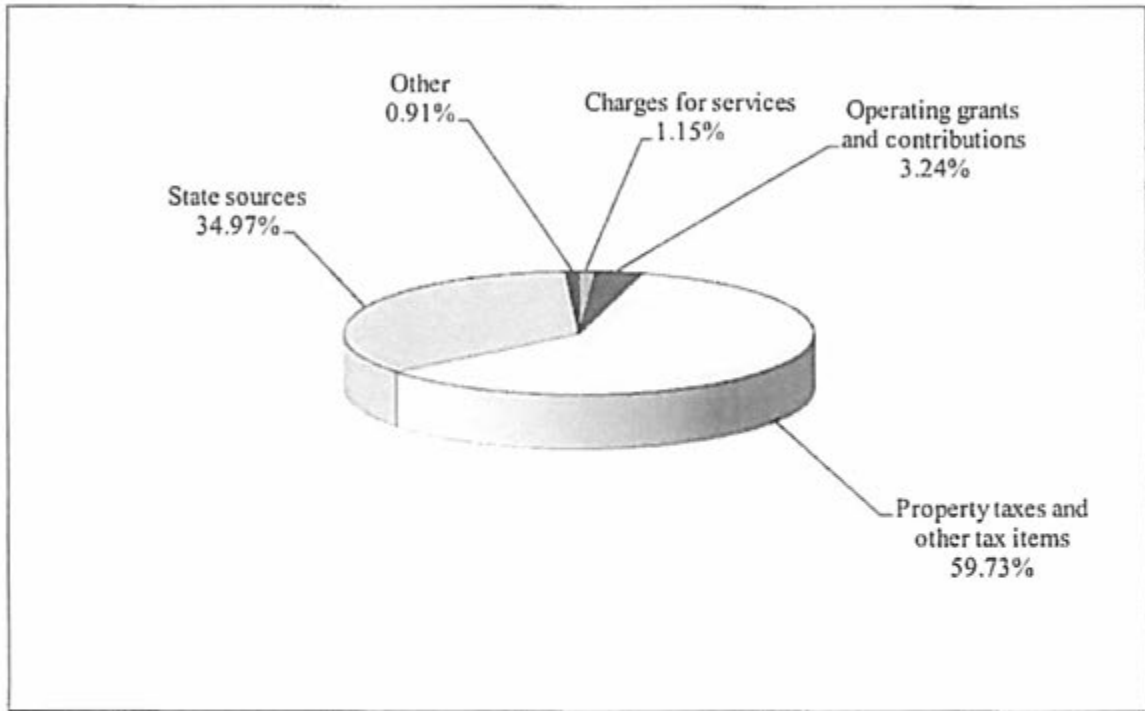
The District's revenues increased by 2.70% in 2016 or \$2,098,535. The major factors that contributed to the increase were an increase in property taxes and other tax items of \$795,939, state sources of \$1,055,960 and operating grants of \$228,360.

The District's expenses for the year increased by \$1,255,555 or 1.70%. This increase was a result of increases in postemployment benefit expenses over the prior year offset by the reduction in pension expense.

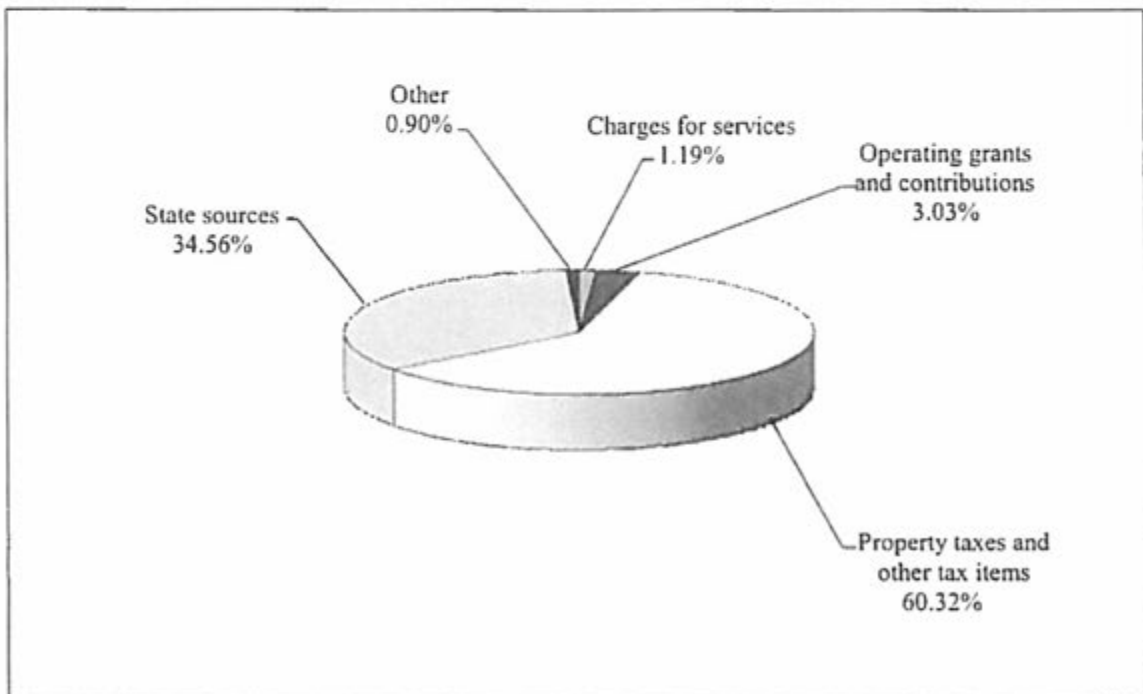
ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

A graphic display of the distribution of revenues for the two years follows:

June 30, 2016



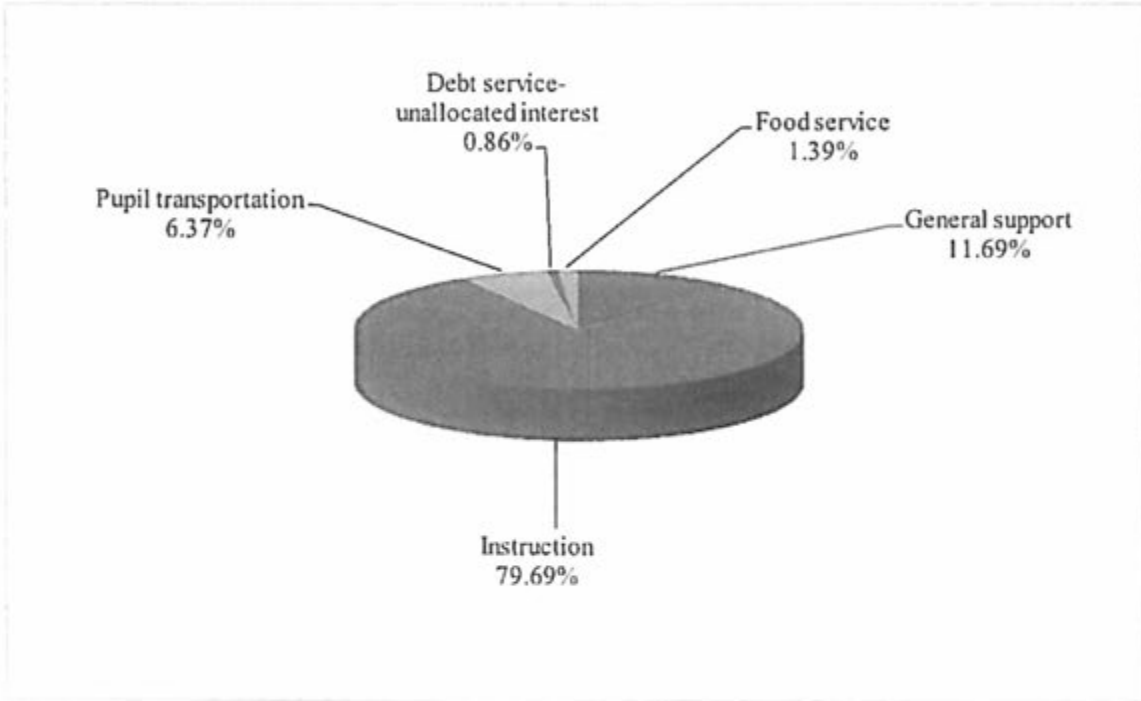
June 30, 2015



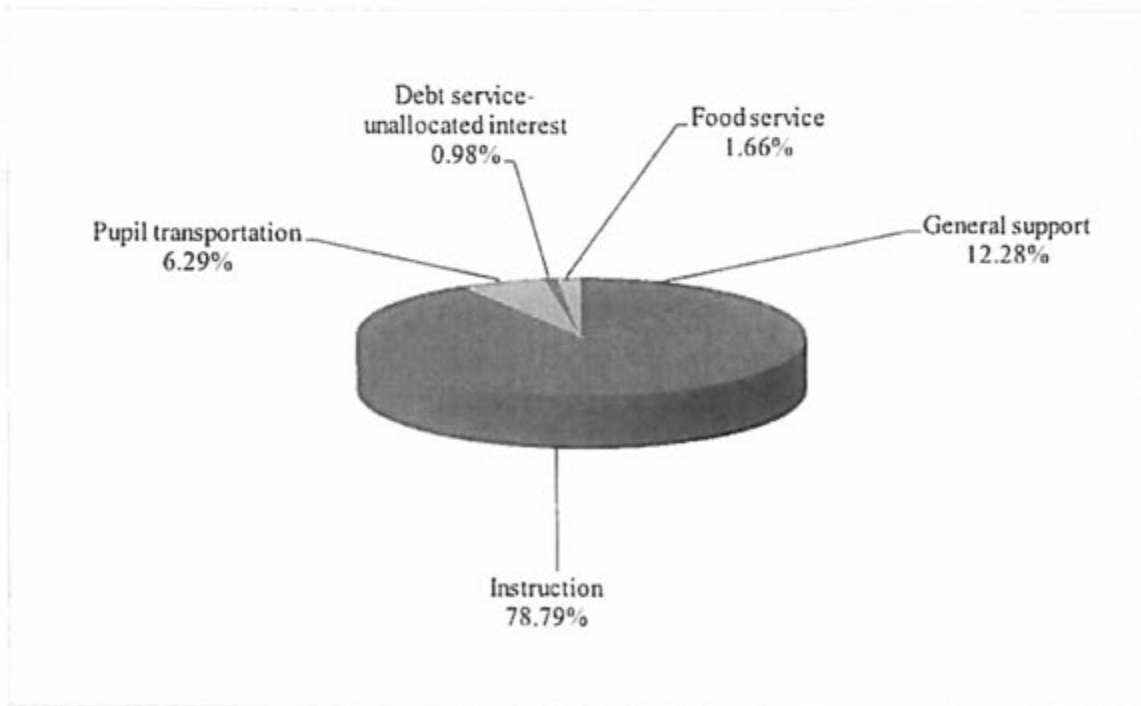
ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

A graphic display of the distribution of expenses for the two years follows:

June 30, 2016



June 30, 2015



**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2016, the District's governmental funds reported a combined fund balance of \$24,513,640, which is an increase of \$2,632,094 from the prior year. This increase is primarily due to excess revenues over expenditures in the general fund. A summary of the change in fund balance by fund is as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Increase (Decrease)</u>
General Fund			
Nonspendable	\$ 60,000	\$ 60,000	\$
Restricted			
Workers' compensation	2,011,089	2,407,107	(396,018)
Unemployment insurance	580,761	602,600	(21,839)
Employee benefit accrued liability	4,303,734	4,425,284	(121,550)
Retirement contribution	7,076,156	8,118,957	(1,042,801)
Property loss and liability	53,369	53,263	106
Insurance	53,369	53,263	106
Capital	<u>4,242,566</u>	<u>774,390</u>	<u>3,468,176</u>
Total Restricted	<u>18,321,044</u>	<u>16,434,864</u>	<u>1,886,180</u>
Assigned			
Unappropriated fund balance	417,673	167,391	250,282
Appropriated fund balance	<u>1,931,759</u>	<u>1,465,650</u>	<u>466,109</u>
Total Assigned	<u>2,349,432</u>	<u>1,633,041</u>	<u>716,391</u>
Unassigned	<u>3,224,944</u>	<u>3,142,479</u>	<u>82,465</u>
Total General Fund	<u>23,955,420</u>	<u>21,270,384</u>	<u>2,685,036</u>
School Lunch Fund			
Nonspendable: Inventory	32,284	37,849	(5,565)
Assigned - unappropriated	<u>79,050</u>	<u>27,645</u>	<u>51,405</u>
Total School Lunch Fund	<u>111,334</u>	<u>65,494</u>	<u>45,840</u>
Debt Service Fund			
Restricted	<u>215,924</u>	<u>314,706</u>	<u>(98,782)</u>
Total Debt Service Fund	<u>215,924</u>	<u>314,706</u>	<u>(98,782)</u>
Capital Projects Fund			
Restricted - unspent bond proceeds	101,067	101,067	
Assigned - unappropriated	<u>129,895</u>	<u>129,895</u>	
Total Capital Fund	<u>230,962</u>	<u>230,962</u>	
 Total Fund Balance - All Funds	 <u>\$24,513,640</u>	 <u>\$21,881,546</u>	 <u>\$ 2,632,094</u>

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2015-2016 Budget:

The District's general fund adopted budget for the year ended June 30, 2016, was \$78,780,743. This is an increase of \$1,894,701 over the prior year's adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$47,724,854 in estimated property taxes and STAR, and state aid in the amount of \$27,354,174.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual):

The general fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, unassigned fund balance	\$3,142,479
Reserves appropriated in the June 30, 2016 budget	(1,924,265)
Revenues over budget	1,382,534
Expenditures and encumbrances under budget	4,442,135
Net increase in restricted funds	(1,886,180)
Appropriated for June 30, 2017 budget	<u>(1,931,759)</u>
Closing, unassigned fund balance	<u>\$3,224,944</u>

Opening, Unassigned Fund Balance

The \$3,142,479 shown in the table is the portion of the District's June 30, 2015 fund balance that was retained as unassigned. This was approximately 4.0% of the District's 2015-2016 approved operating budget.

Revenues over Budget

The 2015-2016 final budget for revenues and transfers from other funds was \$75,400,717. The actual revenues and transfers from other funds received for the year were \$76,783,251. The actual revenue and transfers from other funds exceeded the estimated or budgeted revenue by \$1,382,534. The largest contributor to the variance was an increase in state aid and refund of prior years expenditures over budget. This variance contributes directly to the increase to the unassigned portion of the general fund fund balance from June 30, 2015 to June 30, 2016.

Expenditures and Encumbrances under Budget

The 2015-2016 final budget for expenditures was \$78,958,023. The actual expenditures and encumbrances were \$74,515,888. The final budget was under expended by \$4,442,135. Contributing to this positive expense variance were lower than expected instructional expenses. This under expenditure contributes to the change to the unassigned portion of the general fund fund balance from June 30, 2015 to June 30, 2016.

Net Increase to Restricted Funds

The Board of Education expended \$400,000, \$22,889, \$130,071, and \$1,056,811 from the workers' compensation reserve, unemployment insurance reserve, employee benefit accrued liability reserve and retirement contribution reserve, respectively. The Board of Education also approved the transfer of \$3,468,176 into the capital reserve. The remaining balance of the increases is interest earned during the year.

Appropriated for June 30, 2017 Budget

To mitigate the increase to the tax levy, the District allocated \$1,931,759 of its available June 30, 2016, fund balance to partially fund its 2016-2017 approved operating budget.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2016-2017 fiscal year with an unassigned fund balance of \$3,224,944. This is an increase of \$82,465 from the prior year's unassigned fund balance. This was approximately 4.0% of the District's 2016-2017 approved operating budget.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets:

At June 30, 2016, the District had invested in a broad range of capital assets, including land, construction in progress, buildings, and vehicles, furniture, and equipment. The net decrease in capital assets is due to capital additions less depreciation recorded for the year ended June 30, 2016. A summary of the District's capital assets, net of depreciation at June 30, 2016 and 2015, is as follows:

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Land	\$ 737,304	\$ 737,304	\$
Construction in progress	1,600	1,600	
Buildings and improvements	74,080,713	74,080,713	
Improvements other than buildings	1,219,243	1,219,243	
Vehicles, furniture, and equipment	<u>3,493,372</u>	<u>3,371,275</u>	122,097
Subtotal	79,532,232	79,410,135	122,097
Less: Accumulated depreciation	<u>(32,946,568)</u>	<u>(31,338,106)</u>	<u>(1,608,462)</u>
Capital assets, net	<u>\$ 46,585,664</u>	<u>\$ 48,072,029</u>	<u>\$ (1,486,365)</u>

B. Debt Administration:

At June 30, 2016, the District had total bonds payable of \$12,600,000. A summary of the outstanding bonds at June 30, 2016 and 2015, is as follows:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>
2008	3.00-5.00%	\$ 1,090,000	\$ 1,465,000	\$ (375,000)
2009	3.13-4.00%	4,515,000	4,985,000	(470,000)
2010	2.00-5.00%	<u>6,995,000</u>	<u>8,610,000</u>	<u>(1,615,000)</u>
		<u>\$ 12,600,000</u>	<u>\$ 15,060,000</u>	<u>\$ (2,460,000)</u>

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The general fund budget for the 2016-2017 school year was approved by the voters in the amount of \$80,623,643. This is an increase in the operating budget of \$1,842,900 or 2.46% over the previous year's budget.

The NYS Legislature has introduced and approved a property tax cap beginning in the 2012-2013 school year. This bill limits tax levy growth to the lesser of two percent or the annual increase in the CPI. Limited exemptions to exceed the levy cap are provided for taxes needed to pay for voter-approved capital expenditures, pension rate increases, court orders and torts over five percent of the prior year's levy. If the tax levy proposed to the voters is within the District's tax levy cap, the threshold required for approval would be 60 percent of the vote. A school district that does not levy an amount up to the cap in any one year would be allowed to carry over unused tax levy capacity into future years.

New York State recently enacted a law to effectively "freeze" property taxes for two years on the primary residences of homeowners with annual incomes at or below \$500,000 in school districts and local governments that stay within the tax cap. Qualifying homeowners will receive credit, which will be distributed in the form of a check from New York State, up to the calculated amount of the tax cap. The program also requires the school districts and local governments in the second year to develop or participate in the development of a state approved government efficiency plan that will achieve savings for taxpayers.

The Patient Protection and Affordable Care Act or more commonly referred to as the Affordable Care Act was enacted into law on March 23, 2010. The mandate requires large employers (generally those with fifty (50) or more full-time equivalent employees) to either offer affordable health coverage to full-time employees and their dependents, or pay a penalty if the employer fails to offer affordable health coverage, and at least one full-time employee receives a premium tax credit to help

**ROCKY POINT UNION FREE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

purchase coverage through an affordable insurance exchange. It is anticipated that implementation of this law will increase the health insurance costs of the District.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the District's citizens, taxpayers, customers, 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: Mr. Greg Hilton, Business Official, Rocky Point Union Free School District, 90 Rocky Point -Yaphank Rd., Rocky Point, New York 11778.

ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

Assets	
Cash and cash equivalents	
Unrestricted	\$ 5,895,783
Restricted	18,733,491
Receivables	
Other governments	2,928,194
Due from fiduciary funds	3,332,600
Other receivables	112,452
Inventory	32,284
Other assets	60,000
Capital assets	
Not being depreciated	738,904
Being depreciated, net of accumulated depreciation	45,846,760
Net pension asset - proportionate share	<u>19,951,689</u>
Total Assets	<u>97,632,157</u>
Deferred Outflows of Resources	
Pensions	<u>7,235,524</u>
Total assets and deferred outflows of resources	<u>\$ 104,867,681</u>
Liabilities	
Payables	
Accounts payable	\$ 2,139,164
Accrued liabilities	38,498
Accrued bond interest payable	39,953
Due to	
Other governments	11,224
Teacher's retirement system	4,036,848
Employees' retirement system	299,337
Unearned credits	
Collections in advance	56,093
Due within one year	
Bonds payable	2,460,000
Compensated absences payable	200,000
Due in more than one year	
Bonds payable	10,140,000
Net obligation of other postemployment benefits	33,849,112
Workers' compensation liability	664,932
Termination benefits payable	615,900
Compensated absences payable	4,590,040
Net pension liability - proportionate share	<u>3,364,507</u>
Total Liabilities	<u>62,505,608</u>
Deferred Inflows of Resources	
Deferred amounts from refunding debt, net of amortization	360,419
Pensions	<u>7,305,943</u>
Total Deferred Inflows of Resources	<u>7,666,362</u>
Net Position	
Net investment in capital assets	<u>33,726,312</u>
Restricted	
Workers' compensation	2,011,089
Unemployment insurance	580,761
Employee benefit accrued liability	4,303,734
Retirement contribution	7,076,156
Property loss and liability	53,369
Insurance	53,369
Capital	4,242,566
Debt service-principal and interest	<u>215,924</u>
	<u>18,536,968</u>
Unrestricted (deficit)	<u>(17,567,569)</u>
Total net position	<u>34,695,711</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 104,867,681</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
General support	\$ 8,794,104	\$	\$	\$ (8,794,104)
Instruction	59,936,836	295,977	1,892,130	(57,748,729)
Pupil transportation	4,792,446		215,421	(4,577,025)
Debt service - unallocated interest	645,054			(645,054)
Food service program	1,048,846	624,260	479,494	54,908
Total Functions/Programs	\$ 75,217,286	\$ 920,237	\$ 2,587,045	(71,710,004)
General Revenues				
Real property taxes				41,511,922
Other tax items - including STAR				6,213,076
Use of money and property				41,990
Sale of property and compensation for loss				16,357
State sources				27,941,403
Miscellaneous				666,758
Total General Revenues				76,391,506
Change in Net Position				4,681,502
Net Position, Beginning of Year				30,014,209
Net Position, End of Year				\$ 34,695,711

The Accompanying Notes are an Integral Part of These Financial Statements

ROCKY POINT UNION FREE SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>School Lunch</u>	<u>Special Aid</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets						
Cash and cash equivalents						
Unrestricted	\$ 4,127,237	\$ 1,425,288	\$ 205,899	\$	\$ 137,359	\$ 5,895,783
Restricted	18,321,044			311,380	101,067	18,733,491
Receivables						
Other governments	2,212,468	29,230	686,496			2,928,194
Due from other funds	5,661,622			7,716		5,669,338
Other receivables	110,315	2,137				112,452
Inventory		32,284				32,284
Other assets	60,000					60,000
Total Assets	<u>\$ 30,492,686</u>	<u>\$ 1,488,939</u>	<u>\$ 892,395</u>	<u>\$ 319,096</u>	<u>\$ 238,426</u>	<u>\$ 33,431,542</u>
Liabilities						
Payables						
Accounts payable	\$ 2,128,220	\$ 1,149	\$ 9,795	\$	\$	\$ 2,139,164
Accrued liabilities	34,723		3,775			38,498
Due to						
Other governments		68	11,156			11,224
Other funds	663	1,357,843	867,596	103,172	7,464	2,336,738
Teacher's retirement system	4,036,848					4,036,848
Employees' retirement system	299,337					299,337
Collections in advance	<u>37,475</u>	<u>18,545</u>	<u>73</u>			<u>56,093</u>
Total Liabilities	<u>6,537,266</u>	<u>1,377,605</u>	<u>892,395</u>	<u>103,172</u>	<u>7,464</u>	<u>8,917,902</u>
Fund Balances						
Non-spendable	60,000	32,284				92,284
Restricted:						
Workers' compensation	2,011,089					2,011,089
Unemployment insurance	580,761					580,761
Employee benefit accrued liability	4,303,734					4,303,734
Retirement contributions	7,076,156					7,076,156
Property loss and liability	53,369					53,369
Insurance	53,369					53,369
Capital	4,242,566					4,242,566
Debt service-principal and interest				215,924		215,924
Capital project - unspent bond proceeds					101,067	101,067
Assigned:						
Appropriated fund balance	1,931,759					1,931,759
Unappropriated fund balance	417,673	79,050			129,895	626,618
Unassigned	<u>3,224,944</u>					<u>3,224,944</u>
Total Fund Balances	<u>23,955,420</u>	<u>111,334</u>		<u>215,924</u>	<u>230,962</u>	<u>24,513,640</u>
Total Liabilities and Fund Balances	<u>\$ 30,492,686</u>	<u>\$ 1,488,939</u>	<u>\$ 892,395</u>	<u>\$ 319,096</u>	<u>\$ 238,426</u>	<u>\$ 33,431,542</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**ROCKY POINT UNION FREE SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total governmental fund balances \$ 24,513,640

Amounts reported for governmental activities in the Statement of Net Position are different because:

The cost of building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$	79,532,232	
Accumulated depreciation		<u>(32,946,568)</u>	46,585,664

Certain disbursements previously expended in the governmental funds related to pensions are treated as long term assets and increase net position. The net pension asset - proportionate share at year end for TRS was: 19,951,689

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows related to pensions that will be recognized as expenditures in future periods amounted to: 7,235,524

Payables that are associated with long-term liabilities that are not payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities consisted of:

Accrued interest payable			(39,953)
--------------------------	--	--	----------

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of:

Bonds payable	\$	(12,600,000)	
Net obligation of other postemployment benefits		(33,849,112)	
Workers' compensation liability		(664,932)	
Termination benefits		(615,900)	
Compensated absences liability		(4,790,040)	
Net pension liability - proportionate share (ERS)		<u>(3,364,507)</u>	(55,884,491)

Deferred inflows of resources - The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. Deferred inflows related to pensions that will be recognized as a reduction in pension expense in future periods amounted to (7,305,943)

Deferred inflows of resources - gain on defeasance on the advance refunding. The Statement of Net Position will amortize the gain on the defeasance on the advance refunding over the life of the bond. Governmental funds recorded the gain on defeasance on the advance refunding as a revenue in the year of refunding. (360,419)

Total net position \$ 34,695,711

ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	School Lunch	Special Aid	Debt Service	Capital Projects	Total
Revenues						
Real property taxes	\$ 41,511,922					\$ 41,511,922
Other tax items including STAR reimbursement	6,213,076					6,213,076
Charges for services	295,977					295,977
Use of money and property	39,290	1,482		1,218		41,990
Sale of property and compensation for loss	16,357					16,357
Miscellaneous	626,426	1,408	124			627,958
State sources	27,833,402	17,667	812,453			28,663,522
Medicaid reimbursement	108,001					108,001
Federal sources		461,827	1,295,098			1,756,925
School lunch sales		624,260				624,260
Total Revenues	<u>76,644,451</u>	<u>1,106,644</u>	<u>2,107,675</u>	<u>1,218</u>		<u>79,859,988</u>
Expenditures						
General support	7,426,612					7,426,612
Instruction	42,596,322		2,032,476			44,628,798
Pupil transportation	4,789,997		215,421			5,005,418
Food service program		1,016,479				1,016,479
Employee benefits	15,960,318	44,325				16,004,643
Debt service - principal				2,460,000		2,460,000
Debt service - interest	60,000			664,744		724,744
Total Expenditures	<u>70,833,249</u>	<u>1,060,804</u>	<u>2,247,897</u>	<u>3,124,744</u>		<u>77,266,694</u>
Excess (Deficit) Revenues Over Expenditures	<u>5,811,202</u>	<u>45,840</u>	<u>(140,222)</u>	<u>(3,123,526)</u>		<u>2,593,294</u>
Other Financing Sources (Uses)						
Premium on obligations	38,800					38,800
Transfers from other funds	100,000		140,222	3,124,744		3,364,966
Transfers to other funds	(3,264,966)			(100,000)		(3,364,966)
Total Other Financing Sources (Uses)	<u>(3,126,166)</u>		<u>140,222</u>	<u>3,024,744</u>		<u>38,800</u>
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	2,685,036	45,840		(98,782)		2,632,094
Fund Balances, Beginning of Year	<u>21,270,384</u>	<u>65,494</u>		<u>314,706</u>	<u>230,962</u>	<u>21,881,546</u>
Fund Balances, End of Year	<u>\$ 23,955,420</u>	<u>\$ 111,334</u>		<u>\$ 215,924</u>	<u>\$ 230,962</u>	<u>\$ 24,513,640</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**ROCKY POINT UNION FREE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net change in fund balances		\$ 2,632,094
Amounts reported for governmental activities in the Statements of Activities are different because:		
Long-term revenue and expense differences		
Claims payable in the Statement of Activities differs from the amount reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Claims payable for the year ended June 30, 2016 changed by		37,077
In the Statement of Activities, compensated absences and termination benefits are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the year ended June 30, 2016 changed by		
Compensated absences	\$ (246,355)	
Termination benefits	150	(246,205)
Net other post-employment benefits obligation payable in the Statement of Activities differs from the amount reported in the government funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Net other post-employment benefit obligation payable for the year ended June 30, 2016 changed by		(3,845,871)
Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2015 to June 30, 2016 changed by		7,607
Increases/decreases in the proportionate share of net pension asset/liability and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' retirement system	\$ 5,227,601	
Employees' retirement system	(176,519)	5,051,082
Capital related differences		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities.		
Depreciation expense and loss on disposals	\$ (1,684,107)	
Capital outlays	197,742	(1,486,365)
Long-term debt differences		
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		2,460,000
The Statement of Activities recognizes expenses over the life of the bond. Governmental funds recognized the defeasance gain on the advance bond refunding in the year the bonds were advanced refunded. The amount of amortization on the defeasance gain for the year ended June 30, 2016 was		72,083
Change in net position		\$ 4,681,502

The Accompanying Notes are an Integral Part of These Financial Statements

**ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

	Agency	Private Purpose Trusts
Assets		
Cash - restricted	\$ 3,528,757	\$ 35,143
Due from other funds	404	6
Total Assets	\$ 3,529,161	35,149
Liabilities		
Accrued liabilities	\$ 54,206	
Due to other funds	3,333,010	
Agency liabilities	59,188	
Extraclassroom activity balances	82,757	
Total Liabilities	\$ 3,529,161	
Net Position		
Restricted for scholarships		35,149
Total Net Position		35,149
Total Liabilities and Net Position		\$ 35,149

**ROCKY POINT UNION FREE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Trusts</u>
Additions	
Investment income	\$ 63
Gifts and contributions	<u>4,732</u>
Total Additions	<u>4,795</u>
 Deductions	
Scholarships and awards	<u>7,485</u>
 Change in net position	 (2,690)
 Net position, beginning of year	 <u>37,839</u>
 Net position, end of year	 <u>\$ 35,149</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rocky Point Union Free School District (The District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. Those standards are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies used by the District are as follows:

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The financial reporting entity is based on criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity as Amended by GASB Statement 39, Component Units* and GASB Statement No. 61 *The Financial Reporting Entity: Omnibus*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of a certain entity included in the District's reporting entity.

Extraclassroom activity funds:

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management. The District reports these assets held by it as agent for the extraclassroom organizations in the Statement of Fiduciary Net Position - Fiduciary Funds. Separate audited financial statements of the extraclassroom activity funds can be found at the District's business office.

B) Joint venture:

The District is one of 51 component school districts in the Board of Cooperative Educational Services of Eastern Suffolk, (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section §1950 of the Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section §1950 of the Education Law. All BOCES property is held by the BOCES Board as a corporation under Section §1950(6). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section §119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section §1950(4)(b)(7). There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

C) Basis of presentation:

i) District-wide financial statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental 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 interfund transactions. Governmental activities generally are financed through real property taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants reflect capital specific grants, if applicable.

The Statement of Net Position presents the financial position of the District at fiscal year end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants, contributions, and other revenues that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii) Fund Financial Statements:

The Fund Financial Statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category, governmental and fiduciary, are presented. The emphasis of fund financial statements is on major governmental funds as defined by GASB, each displayed in a separate column. All of the funds of the District are displayed as major funds.

The District reports the following governmental funds:

Governmental Funds:

General Fund – This fund is the District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Aid Fund – This fund accounts for and reports the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes.

School Lunch Fund – This fund is used to account for and report transactions of the District's lunch and breakfast programs.

Debt Service Fund – accounts for the accumulation of resources and that are restricted to expenditure for principal and interest on long-term general obligation debt of governmental activities. Debt service funds should be used to report resources if legally mandated.

Capital Projects Fund – is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition, construction capital facilities and other capital assets.

The District reports the following fiduciary funds:

Fiduciary Funds – are used to account for and report activities in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private Purpose Trust Funds - These funds are used to account for and report trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

D) Basis of accounting and measurement focus:

The District-wide and Fiduciary Fund financial statements are reported on the accrual basis of accounting using the economic resources measurement focus. Revenues are 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 real property taxes, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the related expenditures are incurred.

The Fund Financial Statements are reported on the modified accrual basis of accounting using the current financial resources measurement focus. Revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 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, other postemployment benefit obligations, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General 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.

E) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other postemployment benefits, workers' compensation claims, net pension asset/liability, potential contingent liabilities and useful lives of capital assets.

F) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves and debt agreements.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

G) Real property taxes:

i) Calendar:

Real property taxes are levied annually by the Board of Education no later than November 1st and become a lien on December 1. Taxes were collected by the Town of Brookhaven along with the respective Town and Suffolk county levies. Tax collections are remitted to the District and Town Comptrollers until their respective tax levies are satisfied in accordance with the Suffolk County Tax Act.

ii) Enforcement:

Uncollected real property taxes are subsequently enforced by the County of Suffolk in June. An amount representing uncollected real property taxes transmitted to the County for enforcement are paid by the County to the District.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

H) Receivables:

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

I) Interfund transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity is provided subsequently in these Notes to Financial Statements.

J) Inventories and prepaid items:

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

A reserve for these non-liquid assets (inventories) has been recognized in the school lunch fund as non-spendable under GASB Statement No. 54 to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

K) Capital assets:

Capital assets are reflected in the district-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at estimated fair market value at the date of donation.

All capital assets, except land and construction in progress, are depreciated on a straight line basis over their estimated useful lives. Capitalization thresholds, the dollar value above which asset acquisitions are added to the capital asset accounts, and estimated useful lives of capital assets as reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Building and Improvements	\$ 1,000	20-50 Years
Improvements Other Than Buildings	\$ 1,000	20-50 Years
Vehicles, Furniture, and Equipment	\$ 1,000	5-20 Years

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

L) Deferred outflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. This amount is related to pension reported in the District-Wide Statement of Net Position. This represents the difference between expected and actual experience (ERS), the net difference between projected and actual investment earnings on pension plan investments (ERS), changes of assumptions (ERS), changes in proportion and differences between employer contributions and proportionate share contributions (ERS and TRS), and the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

M) Deferred inflows of resources:

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first is due to deferred gain on refunding which resulted from the difference in carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-Wide Statement of Net Position. This represents the difference between expected and actual experience (ERS and TRS), the net difference between projected and actual earnings on pension plan investments (TRS), and the changes in proportion (ERS and TRS).

N) Collections in advance:

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for collections in advance removed and revenues are recognized.

Collections in advance consist of amounts received in advance in the general fund for community education and drivers' education. Collections in advance in the school lunch fund consist of amounts received in advance for meals that have not yet been purchased. Collections in advance in the special aid fund consists of grant monies as described above.

O) Vested employee benefits – compensated absences:

Compensated absences consist of unpaid accumulated sick leave and vacation time.

Sick leave eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Upon retirement, resignation or death, employees may be eligible to receive a portion of the value of unused accumulated sick leave. Certain collectively bargained agreements require these terminated payments to be paid in the form of a non-elective contribution into the 403(b) plan.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the terms of the collective bargaining agreements and individual employment contracts in effect at year end.

In the fund financial statements only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

P) Termination benefits:

Retirement incentive consist of first year eligible retirement incentive payments as specified in collective bargaining agreements. The liability is calculated in accordance with GASB Statement No. 47, *Accounting for Termination Benefits*. The liability is calculated on years of service plus rates in effect at year end.

In the Fund Financial Statements only, the amount of matured liabilities for compensated absences and termination benefits is accrued within the general fund based upon expendable and available resources. These amounts are expended on a pay-as-you-go basis. A liability is included only for those employees who have obligated themselves to separate from service with the District by June 30th.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Q) Other benefits:

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State Employees' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plan established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financial Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 47 (see Note 13).

R) Short-term debt:

The District may issue revenue anticipation notes (RAN) and tax anticipation notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or not provisions made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The District has not issued or retired BANs in the fiscal year ended June 30, 2016.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

T) Equity classifications:

i) District-wide financial statements

In the District-wide Financial Statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets (net of any unexpended proceeds) and including any unamortized items (deferred amounts on refunding).

Restricted net position – reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of the net position that do not meet the definition of the above classifications and are deemed to be available for general use by the District.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ii) Fund financial statements:

The following classifications describe the relative strength of the spending constraints:

Non-Spendable Fund Balance:

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund and prepaid items recorded in the General Fund.

Restricted Fund Balance:

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

Currently, New York State law uses the terminology "reserves" and Districts are only allowed to use reserves authorized by law. The District has classified the following reserves as restricted:

The District has established the following restricted fund balances:

- **Workers' Compensation Reserve** - This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Within 60 days after the end of any fiscal year, excess reserve amounts may be either transferred to another reserve or applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund under restricted fund balance.
- **Unemployment Insurance Reserve** - According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund.
- **Employee Benefit Accrued Liability Reserve** - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund under restricted fund balance.
- **Retirement Contribution Reserve** - According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the general fund under restricted fund balance.
- **Property Loss Reserve and Liability Reserve** - Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund.
- **Insurance Reserve** - Insurance reserve (GML §6-n) is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used of any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund under restricted fund balance.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

- **Capital Reserve** - The capital reserve fund is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of Education Law. This reserve is accounted for in the general fund.
- **Debt Service** - Used to account for the accumulation of resources and that are restricted to pay debt service. The fund includes all unused debt proceeds and interest and earnings on temporary investment of debt proceeds. This reserve is accounted for in the debt service fund.
- **Unspent bond proceeds** – Unspent long-term bonds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital project fund.
- **Scholarships** – Amounts restricted for scholarships are used to account for monies donated for scholarship purposes net of earnings and awards. These restricted funds are accounted for in the private purpose trust fund.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority; i.e. the Board of Education. The District has no committed fund balances as of June 30, 2016.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) a body (budget or finance committee, for example) or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. All encumbrances in all funds are classified as assigned fund balance, and the amount appropriated for the subsequent year's budget of the general fund are also classified as assigned fund balance in the respective fund.

Unassigned - Includes all the residual fund balance that do not meet the definition of the above classifications and are deemed to be available for general use by the District. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which the fund balance classification will be charged.

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

U) Future Changes in Accounting Standards

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending June 30, 2018. This statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting*

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

GASB has issued Statement No. 77, *Tax Abatement Disclosures*, effective for the year ending June 30, 2017. This statement defines tax abatements and provides increased disclosures including authority, eligibility criteria, dollar amount of taxes abated, and other information.

GASB has issued Statement No. 82, *Pension Issues –Amendment of GASB No. 67, No. 68, and No. 73*, which is effective for the year ending June 30, 2017. This statement addresses issues in the previously issued pension statements regarding payroll related measures in the required supplementary information, the selection of assumptions and deviations from other guidance, and the treatment of employee (plan member) contributions made by employers.

These are the statements that the District feels may have an impact on these financial statements and are not an all inclusive list of GASB statements issued. The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

A) Total fund balances of governmental funds vs. net position of governmental activities

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between the Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories.

i) Long-term revenue and expense differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Budgets:

The District administration prepares a proposed budget for approval by the Board of Education for the general fund, the only fund with a legally adopted budget.

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations were approved by the Board of Education during the year ended June 30, 2016 to include \$9,889 for additional gifts and donations received by the District.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

4. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

The District's investment policies are governed by state statutes and District policy. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

Obligations that may be pledged as collateral are obligations of the United States and its Agencies and obligations of New York State and its municipalities. Investments are stated at fair value.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

None of the District's aggregate bank balances not covered by depository insurance were exposed to custodial credit risk as described above.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2016 included \$18,733,491 within the governmental funds for general purposes and capital projects, and \$3,563,900 within the fiduciary funds.

The District did not have any investments at year end or during the year. Consequently, the District was not exposed to any material interest rate risk or foreign currency risk.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

5. PARTICIPATION IN BOCES

During the year ended June 30, 2016, the District was billed \$7,345,755 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,695,252. Financial statements for the BOCES are available from the BOCES administrative offices at 201 Sunrise Highway, Patchogue, New York 11772.

6. DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2016, consisted of:

General Fund		
New York State – general aid and excess cost aid	\$	1,229,810
BOCES aid		<u>982,658</u>
		<u>2,212,468</u>
School Lunch Fund		
Federal and state school lunch reimbursements		<u>29,230</u>
Special Aid Fund		
Federal and state grants		<u>686,496</u>
Total	\$	<u>2,928,194</u>

District management has deemed the amounts to be fully collectible.

7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 737,304	\$	\$	\$ 737,304
Construction in progress	<u>1,600</u>			<u>1,600</u>
Total	<u>738,904</u>			<u>738,904</u>
Capital Assets Being Depreciated				
Buildings and improvements	74,080,713			74,080,713
Improvements other than buildings	1,219,243			1,219,243
Furniture, equipment and vehicles	<u>3,371,275</u>	<u>197,742</u>	<u>75,645</u>	<u>3,493,372</u>
Total assets being depreciated	<u>78,671,231</u>	<u>197,742</u>	<u>75,645</u>	<u>78,793,328</u>
Accumulated depreciation				
Buildings and improvements	27,738,768	1,520,278		29,259,046
Improvements other than buildings	953,083	32,851		985,934
Furniture, equipment and vehicles	<u>2,646,255</u>	<u>129,167</u>	<u>73,834</u>	<u>2,701,588</u>
Total accumulated depreciation	<u>31,338,106</u>	<u>1,682,296</u>	<u>73,834</u>	<u>32,946,568</u>
Net Capital Assets Being Depreciated	<u>47,333,125</u>	<u>(1,484,554)</u>	<u>1,811</u>	<u>45,846,760</u>
Net Capital Assets	<u>\$ 48,072,029</u>	<u>\$ (1,484,554)</u>	<u>\$ 1,811</u>	<u>\$ 46,585,664</u>

Depreciation expense and loss on disposals was allocated to governmental functions as follows:

Function/Program	
General support	\$ 210,287
Instruction	1,465,409
Food service	<u>8,411</u>
Total Depreciation	<u>\$ 1,684,107</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

8. INTERFUND TRANSACTIONS

Interfund balances and activities at June 30, 2016, are as follows:

Fund	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 5,661,622	\$ 663	\$ 100,000	\$ 3,264,966
School lunch		1,357,843		
Special aid		867,596	140,222	
Debt service	7,716	103,172	3,124,744	100,000
Capital projects		7,464		
Private purpose trust	6			
Trust and agency	404	3,333,010		
Total	\$ 5,669,748	\$ 5,669,748	\$ 3,364,966	\$ 3,364,966

- The District made a transfer of \$140,222 from the general fund to the special aid fund to cover the District's portion of the summer handicapped program and State supported Section 4201 schools.
- The District made an annual transfer of \$3,124,744 from the general fund to debt service fund for required annual debt service expenditures.
- The District made a transfer of \$100,000 from the debt service fund to general fund for debt service expenditures.
- Interfund receivables and payables are considered short-term and are typically liquidated within one year.

9. SHORT TERM DEBT

Transactions in short-term debt for the year are summarized below:

TAN	Maturity	Interest Rate	Balance June 30, 2015	Issued	Redeemed	Balance June 30, 2016
	06/27/16	1.50%	\$	\$ 5,000,000	\$ 5,000,000	\$

The District recognized interest expense on short-term debt for the year of \$60,000. The District also received a premium on obligations from the TAN of \$38,800 which was recorded as other financing sources in the general fund.

10. LONG-TERM LIABILITIES

Long-term liability balances and activity for the year are summarized below:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable					
Serial bonds	\$ 15,060,000	\$	\$ 2,460,000	\$ 12,600,000	\$ 2,460,000
Other Liabilities					
Net obligation of other postemployment benefits	30,003,241	6,327,818	2,481,947	33,849,112	
Workers' compensation liability	702,009	257,186	294,263	664,932	
Termination benefits payable	616,050		150	615,900	
Compensated absences payable	4,543,685	376,426	130,071	4,790,040	200,000
Net pension liability - proportionate share	720,832	3,653,642	1,009,967	3,364,507	
Total Long Term Liabilities	\$ 51,645,817	\$ 10,615,072	\$ 6,376,398	\$ 55,884,491	\$ 2,660,000

The general fund has typically been used to liquidate long-term liabilities. In the prior year termination benefits were presented as a component of the compensated absences payable.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

A) Bonds payable:

Bonds payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2016</u>
Serial bonds	2008	2019	3.00-5.00%	\$ 1,090,000
Serial bonds	2009	2024	3.125-4.00%	4,515,000
Serial bonds	2010	2021	2.00-5.00%	<u>6,995,000</u>
Total				<u>\$ 12,600,000</u>

The following is a summary of debt service requirements:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,460,000	\$ 565,531	\$ 3,025,531
2018	2,505,000	453,581	2,958,581
2019	2,565,000	339,706	2,904,706
2020	2,225,000	222,363	2,447,363
2021	1,000,000	118,050	1,118,050
2022 -2024	<u>1,845,000</u>	<u>149,600</u>	<u>1,994,600</u>
Total	<u>\$ 12,600,000</u>	<u>\$ 1,848,831</u>	<u>\$ 14,448,831</u>

B) Long-term debt:

Interest on long-term debt for the year was composed of:

Interest paid	\$ 664,744
Less: interest accrued in the prior year	(47,560)
Less: amortization of deferred amounts from refunding	(72,083)
Plus: interest accrued in the current year	<u>39,953</u>
Total Interest Expense on Long-Term Debt	<u>\$ 585,054</u>

11. DEFERRED AMOUNTS FROM REFUNDING OF DEBT

In prior years, the District defeased certain general obligations with the proceeds of new bonds. The difference of \$865,000 between the reacquisition price of the new bonds and the net carrying amount of the old bonds has been reported as a deferred inflow of resources on the Statement of Net Position and is being amortized on the District-wide financial statements using the straight-line method over 12 years, the time to maturity of the refunded bonds at the point of refunding. The current-year amortization is \$72,083 and is included as a reduction to interest expense on the government-wide financial statements. The balance of the deferred amounts from the refunding of debt, net of amortization recorded on the Statement of Net Position is as follows:

Deferred amounts from refunding of debt	\$ 865,000
Less: accumulated amortization	<u>(504,581)</u>
Deferred amounts from refunding of debt, net of amortization	<u>\$ 360,419</u>

12. PENSION PLANS

A) New York State and Local Employees' Retirement System (ERS)

(a) Plan description

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2016, were paid. The required contributions for the current year and two preceding years were:

	<u>Amount</u>
2016	\$ 841,444
2015	\$ 1,122,440
2014	\$ 1,100,450

(c) Pension assets, liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2016, the District reported a liability of \$3,364,507 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 March 31, 2016, the District's proportion was .0209623 percent which was a decrease of .0003752 percent from its proportion measured at March 31, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$1,233,332. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,002	\$ 398,806
Change of assumptions	897,213	
Net difference between projected and actual earnings on Pensions plan investments	1,996,010	
Changes in proportion and differences between contributions and proportionate share of contributions	119,881	8,054
Contributions subsequent to the measurement date	299,337	
Total	\$ 3,329,443	\$ 406,860

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Amounts reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan Year ended June 30:</u>	
2017	\$ 668,332
2018	\$ 668,332
2019	\$ 668,332
2020	\$ 618,250

(d) Actuarial assumptions

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The actuarial valuation used the following actuarial assumptions:

Measurement date	March 31, 2016
Actuarial valuation date	April 1, 2015
Interest Rate	7.0%
Salary scale	3.80%
Decrement tables	April 1, 2010 - March 31, 2015
	System's Experience
Inflation rate	2.5%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	38.0%	7.30%
International equity	13.0%	8.55%
Private equity	10.0%	11.00%
Real estate	8.0%	8.25%
Absolute return strategies	3.0%	6.75%
Opportunistic portfolio	3.0%	8.60%
Real assets	3.0%	8.65%
Bonds and mortgages	18.0%	4.00%
Cash	2.0%	2.25%
Inflation-indexed bonds	2.0%	4.00%

(e) Discount rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(f) Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease <u>(6.0%)</u>	Current Assumption <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Proportionate share of the net pension (liability) asset	\$(7,586,720)	\$ (3,364,507)	\$ 203,082

(g) Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the April 1, 2015 valuation date is as follows:

Employers' total pension (liability)	\$ (172,303,544)
Plan fiduciary Net Position	<u>156,253,265</u>
Employers' net pension (liability)	<u>\$ (16,050,279)</u>
 Ratio of plan fiduciary net position to the Employers' total pension liability	 90.68%

(h) Payables to the pension plan

The employer contributions for the fiscal year ended June 30, 2016 are paid annually to the System based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2016 represent the projected employer contribution for the period April 1, 2016 through June 30, 2016 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2016 amounted to \$299,337.

B) New York State Teachers' Retirement System (TRS)

(a) Plan description

The District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity. The required employer contributions for the current year and two preceding years were:

	Amount
2016	\$ 3,902,802
2015	\$ 5,058,112
2014	\$ 4,613,327

(c) Pension assets, liabilities, pension expense, and deferred outflows/inflows of related to pensions

At June 30, 2016, the District reported an asset of \$19,951,689 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2014. The District's proportion of the net pension asset 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, 2015, the District's proportion was .01920887 percent, which was a decrease of .000105 percent from its proportion measured as June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense (credit) of \$(1,324,641). At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 552,947
Change of assumptions		
Net difference between projected and actual earnings on Pensions plan investments		6,306,833
Changes in proportion and differences between contributions and proportionate share of contributions	3,279	39,303
Contributions subsequent to the measurement date	3,902,802	
Total	\$ 3,906,081	\$ 6,899,083

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan Year ended June 30:</u>	
2016	\$ (2,548,943)
2017	\$ (2,548,943)
2018	\$ (2,548,943)
2019	\$ 1,043,704
2020	\$ (74,073)
Thereafter	\$ (218,605)

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

(d) Actuarial assumptions

The total pension liability at June 30, 2015 measurement date was determined by using an actuarial valuation as of June 30, 2014, with update procedures used to roll forward the total pension liability to June 30, 2015. The actuarial valuation used the following actuarial assumptions.

Measurement date	June 30, 2015
Actuarial valuation date	June 30, 2014
Interest Rate	8.0%
Salary scale	4.01% - 10.91%
Decrement tables	July 1, 2005 - June 30, 2010
	System's Experience
Inflation rate	3.0%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37.0%	6.5%
International equity	18.0%	7.7%
Real estate	10.0%	4.6%
Alternative investments	7.0%	9.9%
Domestic fixed income securities	17.0%	2.1%
Global fixed income securities	2.0%	1.9%
Mortgages	8.0%	3.4%
Short-term	1.0%	1.2%

(e) Discount rate

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 school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(f) Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	1% Decrease <u>(7.0%)</u>	Current Assumption <u>(8.0%)</u>	1% Increase <u>(9.0%)</u>
Proportionate share of the net pension (liability) asset	\$(1,360,962)	\$ 19,951,689	\$ 38,126,905

(g) Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (expressed in thousands) of the employers as of the June 30, 2014 valuation date is as follows:

Employers' total pension (liability)	\$ (99,332,104)
Plan fiduciary net position	<u>109,718,917</u>
Employers' net pension asset	<u>\$ 10,386,813</u>

Ratio of plan fiduciary net position to the Employers' total pension asset	110.46%
---	---------

(h) Payables to the Pension Plan

The employer contributions for the fiscal year ended June 30, 2016 are paid annually to the System in September, October and November through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2016 represent the projected employer contribution for the fiscal year June 30, 2016 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2016 amounted to \$4,036,848.

C) Tax shelter annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2016, totaled \$182,571 and \$1,391,274 respectively.

D) Deferred compensation plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2016 totaled \$152,755.

13. OTHER POSTEMPLOYMENT BENEFITS

A) Plan descriptions:

The District provides medical, prescription drug and dental insurances to retirees and their covered dependents. The District contributes between 85% and 100% of the cost of the insurance for retirees and their covered dependents. Currently there are approximately 653 current and former employees participating in the District's Other Post Employment Benefits (OPEB) plan. The benefits provided to employees upon retirement are based upon provisions in various contracts that the District has in place with different classifications of employees. All active employees who retire directly from the District and meet eligibility criteria will participate.

The Plan does not issue a standalone publicly available report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

B) Funding policy:

For the District's OPEB Plan, contribution requirements of the plan members and the District are established by the Board of Education. The District's annual OPEB cost (expense) for each plan is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis.

C) Annual required contribution:

	For the Year Ended June 30, 2016
Normal cost	\$ 2,971,104
Amortization of unfunded actuarial liability	2,980,311
Annual required contribution (ARC)	\$ 5,951,415

D) Reconciliation of net OPEB obligation:

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation to the Plan:

	For the Year Ended June 30, 2016
Annual required contribution	\$ 5,951,415
Interest on net OPEB obligation	1,500,162
Adjustment to ARC	(1,123,759)
Annual net OPEB cost (expense)	6,327,818
Contributions made	(2,481,947)
Change in net OPEB obligation	3,845,871
Net OPEB obligation at the beginning of the year	30,003,241
Net OPEB obligation at the end of the year	\$ 33,849,112
Percentage of expense contributed	39.2%

E) Trend information:

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2015 and the two preceding years, was as follows:

Fiscal Year Ending Ending	Annual Net OPEB Cost	OPEB Expense Contributed	% of Expense Contributed	Net OPEB Obligation
June 30, 2016	\$ 6,327,818	\$ 2,481,947	39.2%	\$ 33,849,112
June 30, 2015	\$ 6,008,022	\$ 2,334,614	38.9%	\$ 30,003,241
June 30, 2014	\$ 6,643,302	\$ 2,307,702	34.7%	\$ 26,329,833

F) Funded status:

	For the Year Ended June 30, 2016
Actuarial accrued liability (AAL) at July 1, 2015	\$ 79,571,323
Actuarial value of plan assets	
Unfunded actuarial accrued liability (UAAL)	\$ 79,571,323
Covered payroll	\$ 32,761,763
UAAL as a percentage of covered payroll	242.9%

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

G) Actuarial methods and assumptions:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. For this reason, the results in this report should be viewed as estimates. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and Plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and Plan members in the future. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	July 1, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level % of Payroll
Amortization period	Single Amortization Period
Amortization period (years) remaining	22
Amortization discount	5.0%
Projected salary increase	4.0%
Health care inflation rate	5.0% Initial; 3.84% Ultimate
Fiscal year that rate reaches ultimate trend rate	2075
Method used to determine actuarial value of assets	N/A

14. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; and natural disasters. These risks are covered by a combination of self-insurance reserves and commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded available reserves and commercial insurance coverage for the past three years.

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims activity is summarized below:

	<u>2016</u>	<u>2015</u>
Unpaid claims at beginning of year	\$ 702,009	\$ 955,759
Incurred claims and claim adjustment expenses	257,186	268,582
Claim payments	<u>(294,263)</u>	<u>(522,332)</u>
Unpaid claims at year end	<u>\$ 664,932</u>	<u>\$ 702,009</u>

15. FUND BALANCES

The following is a summary of the change in general fund restricted fund balances during the year ended June 30, 2016:

<u>Reserve</u>	<u>Balance at 7/1/2015</u>	<u>Additions</u>	<u>Amounts Expended</u>	<u>Balance at 6/30/2016</u>
Workers compensation	\$ 2,407,107	\$ 3,982	\$ 400,000	\$ 2,011,089
Unemployment insurance	602,600	1,150	22,989	580,761
Employee benefit accrued liability	4,425,284	8,521	130,071	4,303,734
Retirement contribution	8,118,957	14,010	1,056,811	7,076,156
Property loss and liability	53,263	106		53,369
Insurance	53,263	106		53,369
Capital	774,390	3,468,176		4,242,566
Total	<u>\$ 16,434,864</u>	<u>\$ 3,496,051</u>	<u>\$ 1,609,871</u>	<u>\$ 18,321,044</u>

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

16. FUND BALANCES – ASSIGNED:

A) Assigned: Appropriated

The amount of \$1,931,759 has been designated as the amount estimated to be appropriated to reduce taxes for the fiscal year ending June 30, 2017 in the general fund.

B) Assigned: Encumbered

All encumbrances are classified as assigned fund balance. At June 30, 2016, the District encumbered the following significant amounts:

Assigned: Unappropriated Fund Balance	
General Fund	
General Support	\$ 362,770
Instruction	<u>54,903</u>
	<u>\$ 417,673</u>

17. COMMITMENTS AND CONTINGENCIES

Grants:

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial.

18. SUBSEQUENT EVENTS

On August 30, 2016, the District issued \$4,750,000 in tax anticipation notes bearing interest rates of 2.0 %. The notes mature on June 27, 2017.

SUPPLEMENTARY INFORMATION

ROCKY POINT UNION FREE SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local sources					
Real property taxes	\$ 47,724,854	\$ 47,724,854	\$ 41,511,922		\$ (6,212,932)
Other tax items - including STAR			6,213,076		6,213,076
Charges for services	173,000	173,000	295,977		122,977
Use of money and property	35,500	35,500	39,290		3,790
Sale of property and compensation for loss			16,357		16,357
Miscellaneous	55,000	64,889	626,426		561,537
State sources	27,354,174	27,354,174	27,833,402		479,228
Federal sources	48,300	48,300	108,001		59,701
Total Revenues	<u>75,390,828</u>	<u>75,400,717</u>	<u>76,644,451</u>		<u>1,243,734</u>
Other Financing Sources					
Premium on obligations			38,800		38,800
Transfers from other funds			100,000		100,000
Appropriated fund balance and reserves	3,557,306	3,557,306			(3,557,306)
Total Revenues and Other Financing Sources	<u>\$ 78,948,134</u>	<u>\$ 78,958,023</u>	<u>\$ 76,783,251</u>		<u>\$ (2,174,772)</u>
Expenditures					
General support					
Board of education	\$ 30,456	\$ 38,570	\$ 32,295		\$ 6,275
Central administration	367,847	366,547	347,846	20	18,681
Finance	1,200,143	1,146,313	817,853		328,460
Staff	592,372	616,550	475,698		140,852
Central services	5,327,573	5,516,946	4,950,022	362,750	204,174
Special items	871,725	871,725	802,898		68,827
Total General Support	<u>8,390,116</u>	<u>8,556,651</u>	<u>7,426,612</u>	<u>362,770</u>	<u>767,269</u>
Instruction					
Instruction, administration, and improvement	2,883,153	2,675,352	2,332,592	1,179	341,581
Teaching - regular school	22,294,134	22,180,883	21,098,706	47,748	1,034,429
Programs for children with special needs	14,569,384	13,932,737	12,810,172	914	1,121,651
Occupational education	1,084,706	1,326,518	1,325,511		1,007
Teaching - special school	555,400	771,676	761,566		10,110
Instructional media	899,532	948,004	856,840	1,791	89,373
Pupil services	3,386,030	3,609,021	3,410,935	3,371	199,815
Total Instruction	<u>45,672,339</u>	<u>45,444,191</u>	<u>42,596,322</u>	<u>54,903</u>	<u>2,792,966</u>
Pupil transportation	4,795,371	4,796,371	4,789,997		6,374
Employee benefits	16,672,564	16,717,844	15,960,318		757,526
Debt service - interest and related financing expenses	178,000	178,000	60,000		118,000
Total Expenditures	<u>75,708,390</u>	<u>75,693,057</u>	<u>70,833,249</u>	<u>417,673</u>	<u>4,442,135</u>
Other Financing Uses					
Transfers to other funds	3,239,744	3,264,966	3,264,966		
Total Expenditures and Other Financing Uses	<u>\$ 78,948,134</u>	<u>\$ 78,958,023</u>	<u>74,098,215</u>	<u>\$ 417,673</u>	<u>\$ 4,442,135</u>
Net change in fund balance			2,685,036		
Fund balance - beginning of year			<u>21,270,384</u>		
Fund balance - end of year			<u>\$ 23,955,420</u>		

Notes to Required Supplementary Information

The District administration prepares a proposed budget for approval by the Board of Education for the general fund, the only fund with a legally adopted budget.

The budget is adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability-Projected Unit Credit</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
	(a)	(b)	(b)-(a)	(a)/(b)	(c)	[(b)-(a)]/(c)
July 1, 2015	\$	\$ 79,571,323	\$ 79,571,323	0%	\$ 32,761,763	242.9%
July 1, 2014	\$	\$ 75,196,914	\$ 75,196,914	0%	\$ 32,853,137	228.9%
July 1, 2013	\$	\$ 79,206,131	\$ 79,206,131	0%	\$ 34,555,628	229.2%

See Paragraph on Supplementary Schedules Included in Auditor's Report

**ROCKY POINT UNION FREE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,**

**ERS Pension Plan
Last 10 Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contribution	\$ 1,056,812	\$ 1,086,747	\$ 1,103,423	\$ 1,009,429	\$ 778,468	\$ 677,186	\$ 420,588	\$ 371,697	\$ 428,776	\$ 498,190
Contributions in Relation to the Contractually Required Contribution	<u>1,056,812</u>	<u>1,086,747</u>	<u>1,103,423</u>	<u>1,009,429</u>	<u>778,468</u>	<u>677,186</u>	<u>420,588</u>	<u>371,697</u>	<u>428,776</u>	<u>498,190</u>
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
District's Covered-ERS Employee Payroll	\$ 6,170,976	\$ 6,060,580	\$ 5,896,138	\$ 5,704,899	\$ 5,621,245	\$ 5,698,163	\$ 5,643,202	\$ 5,472,222	\$ 5,266,584	\$ 5,050,710
Contributions as a Percentage of Covered-Employee Payroll	17.13%	17.93%	18.71%	17.69%	13.85%	11.88%	7.45%	6.79%	8.14%	9.86%

**TRS Pension Plan
Last 10 Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually Required Contribution	\$ 3,902,802	\$ 5,058,112	\$ 4,613,327	\$ 3,202,382	\$ 2,968,191	\$ 2,278,162	\$ 1,586,463	\$ 1,914,890	\$ 2,274,060	\$ 2,146,871
Contributions in Relation to the Contractually Required Contribution	<u>3,902,802</u>	<u>5,058,112</u>	<u>4,613,327</u>	<u>3,202,382</u>	<u>2,968,191</u>	<u>2,278,162</u>	<u>1,586,463</u>	<u>1,914,890</u>	<u>2,274,060</u>	<u>2,146,871</u>
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
District's Covered-TRS Employee Payroll	\$ 29,837,597	\$ 29,330,293	\$ 28,863,547	\$ 27,413,149	\$ 27,067,061	\$ 26,855,362	\$ 25,992,425	\$ 25,480,860	\$ 26,459,431	\$ 25,502,141
Contributions as a Percentage of Covered-Employee Payroll	13.08%	17.25%	15.98%	11.68%	10.97%	8.48%	6.10%	7.52%	8.59%	8.42%

See Paragraph on Supplementary Schedules Included in Auditor's Report

**ROCKY POINT UNION FREE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
FOR THE FISCAL YEARS ENDED JUNE 30, ***

ERS Pension Plan

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0209623%	0.0213375%	0.0213375%
District's proportionate share of the net pension liability	\$ 3,364,507	\$ 720,832	\$ 964,210
District's covered-employee payroll	\$ 6,004,599	\$ 5,967,941	\$ 5,876,902
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.03%	12.08%	16.41%
Plan fiduciary net position as a percentage of total pension liability	90.7%	97.9%	97.2%

TRS Pension Plan

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the net pension asset	0.192087%	0.192192%	0.184650%
District's proportionate share of the net pension asset	\$ 19,951,689	\$ 21,408,959	\$ 1,215,462
District's covered-employee payroll	\$ 29,330,293	\$ 28,863,547	\$ 27,413,149
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	68.02%	74.17%	4.43%
Plan fiduciary net position as a percentage of total pension asset	110.46%	111.48%	100.70%

• The amounts presented for each fiscal year were determined as of the measurement date of the plans.

**ROCKY POINT UNION FREE SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND REAL PROPERTY TAX LIMIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Change from Adopted Budget to Final Budget

Adopted budget	\$ 78,780,743
Add: prior year's encumbrances	<u>167,391</u>
Original budget	78,948,134
Add: Budget revision for gifts and donations	<u>9,889</u>
Final budget	<u>\$ 78,958,023</u>

Section 1318 of Real Property Tax Law Limit Calculation

2016-17 voter-approved expenditure budget	\$ <u>80,623,643</u>
Maximum allowed (4% of 2016-17 budget)	\$ <u>3,224,946</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :

Unrestricted fund balance:	
Assigned fund balance	\$ 2,349,432
Unassigned fund balance	<u>3,224,944</u>
Total unrestricted fund balance	<u>5,574,376</u>

Less:

Appropriated fund balance	1,931,759
Assigned - unappropriated fund balance	<u>417,673</u>
Total adjustments	<u>2,349,432</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ <u>3,224,944</u>
--	---------------------

Actual percentage	4.0%
-------------------	------

**ROCKY POINT UNION FREE SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE		Budget June 30, 2015	Expenditures			Unexpended Balance	Methods of Financing			Fund Balance June 30, 2016
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	
IIS Science Rooms 2013 #1	0029	\$ 254,677	\$ 297,838	\$ -	\$ 297,838	\$ (43,161)	\$ 398,905	\$ -	\$ 398,905	\$ 101,067
Lifeskills Bathroom	0028	92,791	92,644	-	92,644	147	-	92,791	92,791	147
IIS Track and Turf	0029	1,897,209	1,842,127	-	1,842,127	55,082	16,986	1,897,206	1,914,192	72,065
HS Cafeteria Bathrooms	0030	<u>214,970</u>	<u>201,402</u>	-	<u>201,402</u>	<u>13,568</u>	-	<u>259,085</u>	<u>259,085</u>	<u>57,683</u>
		<u>\$ 2,459,647</u>	<u>\$ 2,434,011</u>	<u>\$ -</u>	<u>\$ 2,434,011</u>	<u>\$ 25,636</u>	<u>\$ 415,891</u>	<u>\$ 2,249,082</u>	<u>\$ 2,664,973</u>	<u>\$ 230,962</u>

See Paragraph on Supplementary Schedules Included in Auditor's Report

**ROCKY POINT UNION FREE SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Capital assets, net	\$ 46,585,664
Add:	
Capital fund unspent bond proceeds	<u>101,067</u>
	<u>101,067</u>
Deduct:	
Deferred amounts from refunding debt, net of amortization	(360,419)
Short-term portion of bonds payable	(2,460,000)
Long-term portion of serial bonds payable	<u>(10,140,000)</u>
	<u>(12,960,419)</u>
Net investment in capital assets	<u>\$ 33,726,312</u>

See Paragraph on Supplementary Schedules Included in Auditor's Report

INDEPENDENT AUDITOR'S 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*

To the Board of Education
Rocky Point Union Free School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary funds of the Rocky Point Union Free School District, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Rocky Point Union Free School District's basic financial statements, and have issued our report thereon dated October 14, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rocky Point Union Free School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rocky Point Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rocky Point Union Free School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, NY
October 14, 2016



ROCKY POINT UNION FREE SCHOOL DISTRICT
BUSINESS OFFICE
90 Rocky Point – Yaphank Road
Rocky Point, New York 11778

Telephone: (631) 744-1600

Fax: (631) 849-7556

Dr. Michael F. Ring
Superintendent of Schools

Gregory Hilton
School Business Official

Corrective Action Plan

October 19, 2016

Cash Receipts

The Business Office has a well-established process whereby deposits are sent to the bank twice a week. The Business Office Accountant and Senior Account Clerk will continue to monitor and review cash receipts to ensure that all items sent to the Business Office continue to be deposited shortly after receipt.

We have noted, however, that deposits collected at the building level occasionally reflect a time lag between check dates and the date of delivery to the Business Office. In order to remind all employees of our established cash procedures, the District will post a memo to the extranet stating that deposits must be forwarded to the Business Office in a timely manner. In addition, staff who typically manage deposits will receive an email from the Business Office regarding the importance of cash procedures. Building Principals will also be asked to inform their staff that cash and checks collected at the building level must be sent to the Business Office in a timely manner in order to preserve and improve internal controls surrounding collections from students.

ROCKY POINT PUBLIC SCHOOLS

SURPLUS EQUIPMENT DISPOSAL

School: Middle School

Department: Library

Name: Catherine O'Connell

Description	Model#/Serial#	Property Tag #	Quantity	Reason for Disposal
3M Theft Detection System	2302 DM, Serial #2321120	002183	1	11 years old-no longer economical to maintain

Business Official Signature 

Date: 10-13-16

**Proposal to Provide
Professional External Auditing Services
for the Rocky Point Union Free School District
for the fiscal year ending
June 30, 2017, with the option to renew for the
subsequent four fiscal years ending June 30, 2018,
June 30, 2019, June 30, 2020 and June 30, 2021**

August 31, 2016

R.S. Abrams & Co., LLP

Contact Person: Ms. Marianne Van Duyne, CPA
mvanduyne@rsabrams.com

Suffolk Location

3033 Express Drive North
Islandia, New York 11749
(631) 234-4444

Westchester Location

50 Main Street suite 1000
Westchester, New York 10606

www.rsabrams.com

TABLE OF CONTENTS

	Transmittal Letter	1 – 2
I.	Credentials and Qualifications	3 – 4
II.	Our Service Team	5 - 7
III.	Profile of our Firm	8
IV.	Specific Audit Approach	9 – 10
V.	Professional Fees	11
Exhibit I:	References of School District External Audit Clients	
Exhibit II:	Certified Public Accountant License Information for: Marianne Van Duyne, CPA Alexandria Battaglia, CPA Katherine Klein, CPA Brendan Nelson, CPA	
Exhibit III:	AICPA Membership Required External Quality Control Review	
Exhibit IV:	Firm’s Annual Publication	
Exhibit V:	Top Ten Internal Control Deficiencies Cited in the New York State Comptroller’s Reports	



August 31, 2016

Mr. Greg Hilton
Rocky point Union Free School District
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778

To the Board of Education:

On behalf of R.S. Abrams & Co., LLP, we are pleased to present our proposal to continue providing external auditing services for the Rocky Point Union Free School District (the "District") for the fiscal year ending June 30, 2017 with the option to renew for the subsequent four fiscal years ending June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2021. This proposal is a firm and irrevocable offer for services to be rendered.

Our audit will include auditing the basic financial statements and the federal financial assistance programs as required under the Federal Single Audit Act of 1984. Our audit will be a single audit conducted in accordance with generally accepted auditing standards; the standards for financial audits contained in "Governmental Auditing Standards", issued by the Comptroller General of the United States; the Single Audit Act of 1996 and OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express an unmodified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the Schedule of Federal Financial Awards and the District's compliance with laws and its internal controls as required for a Single Audit.

Our work will be performed in a timely manner. We will commit our top resources to meet your specialized service needs.

The following are among the key points of our qualifications:

- * A Governmental Practice that numbers more than seventy school district clients, including many in Westchester, Rockland, Dutchess, Nassau and Suffolk counties;

ISLANDIA: 3033 EXPRESS DRIVE NORTH, SUITE 100 • ISLANDIA, NY 11749
WHITE PLAINS: 50 MAIN STREET, SUITE 1000 • WHITE PLAINS, NY 10606
PHONE: (631) 234-4444 • FAX: (631) 234-4234

- * A commitment to assign to the Rocky Point Union Free School District our top rated audit partners –Ms. Marianne Van Duyne and Ms. Alexandria Battaglia– to serve you;
- * Annual presenters for New York State School Boards Association, New York State Government Finance Officers Association, New York State Association of School Business Officials and the New York State Society of CPA's Public School Committee. Our most recent topics were *Managing Fund Balance and Reserves: Too Much, Too Little, or Just Right?*; *The Treasurer and Capital Projects; Are you Ready for your Audit?*; and *What to Expect from an Office of State Comptroller's Audit*.
- * A clear position of leadership in New York State among providers of school district accounting, auditing and consulting services;
- * A full range of service capabilities, including a specialization in school district issues, together with related consulting services.

Public school districts are the primary industry that the senior partners of R.S. Abrams & Co., LLP have designated to receive top level, firm wide commitment of resources and support. The opportunity to retain Rocky Point Union Free School District as an external audit client is of great importance to us. Our firm is committed to building our governmental and not-for-profit practice. Ms. Van Duyne and Ms. Battaglia will work closely with the District's management and our audit team on an ongoing basis to help ensure the effectiveness of our services.

We will see to it that the District has prompt and ready access to our best people. We will spare no effort to understand and meet your expectations. Again, we thank you for the opportunity to present our proposal. We look forward with great enthusiasm to continue serving you.

Very truly yours,

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP

I. CREDENTIALS AND QUALIFICATIONS

Public school districts are in a highly volatile industry. R.S. Abrams & Co., LLP wants to be able to help clients prepare for and meet the challenges they will face in the years ahead.

Strategic Focus on School Districts

Rocky Point Union Free School District should take note of the strategic commitment to public school districts on the part of the firm's senior management. Public school districts are one of the only two industries our firm's Management Committee has selected for major long-term investment. As a practical matter, that investment in public school districts translates into the dedication of our top-quality talent, sustained attention and effort, and substantial resources to achieve certain key objectives:

- * Meeting our own criteria, including outstanding personal service marked by leadership, technical expertise, and responsiveness.
- * Staying abreast of, and ahead of, emerging industry issues, so that we can assist our clients in understanding and responding to them.

Public School District Group

Our Public School District Group is charged with keeping our clients and our professionals informed about significant developments in the industry. We help to assess the impact of these developments on the management and operations of school districts through participation in industry associations and activities, special programs, and other means. Our Public School District Group responds to the needs of our school district clients and includes a network of accounting and auditing, management and consulting professionals. The group consists of professionals with specialties and expertise gained in some cases, through prior experience in the school district industry. Members of this group stay abreast of the latest in school district developments, policies, and issues statewide.

Industry Activities

Members of our Public School District Group are actively involved in a wide spectrum of industry activities. They participate frequently as speakers at technical meetings for the Association of School Business Officials (ASBO), New York State School Boards Association (NYSSBA), School District Internal Auditors Alliance (SDIAA), and the New York State Society of CPA's (NYSSCPA). They also actively participate in the NYSSCPA Public School Accounting Committee, the NYSSCPA Not-for-Profit and Government Accounting Committee, the Government Finance Officers Association (GFOA) Accounting, Auditing and Financial Reporting Committee and the Long Island Village Clerks and Treasurers Association (LIVCTA).

Strength of our School District Practice

The following are some of the school districts we audit which are similar to the Rocky Point Union Free School District:

<u>School District</u>	<u>Contact</u>
Westhampton Beach Union Free School District	Ms. Kathy O'Hara 631 288 3800
Eastport-South Manor Union Free District	Mr. Richard Snyder 631 874 6720
Comsewogue Union Free School District	Ms. Susan Casali 631 474 8116
West Islip Union Free School District	Ms. Wendy Duffy 631 893 3200
Hauppauge Union Free School District	Mr. James Stucchio 631 761 8211

The scope of these engagements included the audit of the basic financial statements, the federal financial assistance programs as required under the Federal Single Audit and OMB's *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and the Extraclassroom Activity Funds, if required. Ms. VanDuyne or Ms. Battaglia was the engagement partner for these external audits.

In addition to financial audits, other services we can provide to our clients cover all areas of interest and concern to school districts, including:

- * Audits of cost based Pre-School Handicapped Programs.
- * Quarterly audits of food service contractors
- * Internal Control Studies
- * Management study of Business Office operations
- * Fund Balance Projections
- * Issuance of consent and citation of expertise to fiscal advisors
- * Internal audits
- * Assist district in communication with rating agencies and preparation of official statements
- * Claims auditing

Publications and Periodicals

We issue an annual brochure discussing all the current changes effecting school districts in the areas of accounting, tax and legislative issues. If there are any changes during the year, we promptly mail out a letter to our school districts to alert them and to discuss how to address these changes. We also provide our clients with a newsletter alerting them to current changes. (See Exhibit IV for the firm's 2016 Publication). We will also post changes important to school districts on our website (www.rsabrams.com) in a timely manner.

II. OUR SERVICE TEAM

We have selected our premier service team to work for the Rocky Point Union Free School District. The members of this group cumulatively possess more than fifty years of experience serving schools in New York State. It is the firm's policy to provide an audit team with extensive experience in governmental auditing. Our firm also has a policy of rotating audit teams every five years to provide a new and fresh approach to our audits while continuing to provide the consistency of service which is instrumental in conducting efficient and effective audits.

Qualifications and Roles of the Key Service Team Members

Marianne Van Duyne, CPA, MBA

Ms. Van Duyne is managing partner at R.S. Abrams & Co., LLP. Ms. Van Duyne is a prior chairperson and current member of the NYSSCPA Public School Accounting Committee, NYSSCPA Government Accounting and Auditing Committee and the NYSSCPA Professional Ethics Committee. Participation on these committees keeps us very current on any changes in accounting and auditing standards affecting our clients. She is currently an Advisory Board member of the School District Internal Auditor Alliance (SDIAA). She has served as a Board of Directors trustee for St. Catherines Hospital in Smithtown. Ms. Van Duyne is an annual speaker at the New York State Government Finance Officers Association (GFOA), New York State ASBO June Accounting and Auditing Workshops, New York State School Boards Association Annual Conference and the New York State School District Internal Auditors Conference. She was also recently appointed as a member of the Business Associates Advisory Committee for New York State ASBO. Her most recent presentations included Managing Fund Balance and Reserves: Too Much, Too Little, or Just Right? She is the recipient of the New York State ASBO Joan Colvin Starfish award for her article written in the ASBO Reporter titled "Is your District in Danger of Being a Victim of Fraud?". She has also written articles for the NYSSBA On Board newsletter. Ms. Van Duyne appeared on WLIW "The Learning Curve" as a panelist discussing school district finances. She has also been featured in Newsday's Executive Suite. She has also been honored as a recipient of Long Island Business News' 2012 50 Around 50 Award. She has also been honored as a recipient of Long Island Business News' 2013 50 Most Influential Women in Business Award. Ms. Van Duyne is a Certified Public Accountant with a Masters in Accounting from Hofstra University. She has earned her School Business Administration Certification from C.W. Post. She is also the recipient of the New York State Association of School Business Officials Distinguished Graduate of School Business Administration Award. She has three years auditing experience with Deloitte & Touche and twenty four years auditing experience with R.S. Abrams & Co., LLP. Ms. Van Duyne is a member of the GFOA, the AICPA and the NYSSCPA. Ms. Van Duyne specializes in school district external and internal audits.

Alexandria Battaglia, CPA

Ms. Battaglia is an audit partner at R.S. Abrams & Co., LLP where she been for the past seventeen years. She specializes in school district, not-for-profit and state and local government audits. She was the recipient of the School of Professional Accountancy College of Management's Faculty Award for Excellence in Accounting. She was recently named the Executive Woman of the Year for the Accounting Profession by the National Association of Professional Women. She also presented for the Nassau Suffolk School Boards Association on internal control in school districts and for New York State Association of School Business Officials on Basic, Intermediate, and Advanced School District Accounting; Managing Fund Balance and Reserves and Accounting Updates. Her most recent

R.S. Abrams & Co., LLP

RFP External Audit Proposal for Rocky Point Union Free School District

presentations included Advanced Governmental Financial Reporting, Municipal Audits – Trends and Issues and GASB Statement # 54 – Creating New Fund Balance Policies for the NYS GFOA and Internal Auditing of Online Banking in School Districts and the Top 10 Internal Control Deficiencies Cited in the New York State Comptrollers Reports at the New York State Internal Auditors Conference. Ms. Battaglia is a member of the NYSSCPA Not-for-Profit and Government Accounting Committee and the NYS GFOA Accounting, Auditing and Financial Reporting Committee. She is also a member of the NYSSCPA Public School Accounting Committee and was co-chair for the Public School Accounting Conference Committee. Prior to R.S. Abrams & Co. LLP, Ms. Battaglia worked for Advanced Health Care Resources as a staff accountant for four years. Ms. Battaglia is a member of the AICPA, NYSSCPA and the NYS GFOA. She has a Bachelor of Science degree in Accounting from C.W. Post. Ms. Battaglia specializes in school district external and internal audits.

Katherine Klein, CPA

Ms. Klein is a senior audit manager at R.S. Abrams & Co., LLP. She has a Bachelor of Science in Accounting from C.W. Post and graduated Summa Cum Laude. She was the recipient of the School of Professional Accountancy College of Management's Faculty Award for Excellence in Accounting as well as the Pricewaterhouse Coopers LLP Award in Accounting. Ms. Klein has recently earned her Masters in Taxation from C.W. Post. She has five years of audit experience with R.S. Abrams & Co., LLP. Ms. Klein is a member of the AICPA and the NYSSCPA. Ms. Klein specializes in school district external and internal audits.

Brendan Nelson, CPA

Mr. Nelson is a supervisor at R.S. Abrams & Co., LLP. He has a Bachelor of Science from the University of Rhode Island. He is a Certified Public Accountant and has five years of prior audit and tax experience with R.S. Abrams & Co., LLP, as well as two years of experience with KPMG LLP as a senior auditor. Mr. Nelson currently specializes in school district external and internal audits.

Stephen Kaminski

Mr. Kaminski is a semi-senior auditor at R.S. Abrams & Co., LLP. He has a Bachelor of Science in Accounting from Molloy College, and a Masters of Business Administration in Finance from Molloy College. He has passed all parts of the CPA exam. Mr. Kaminski currently specializes in school district external and internal audits.

All professional staff is experienced in school district audits. All staff members are independent of the Rocky Point Union Free School District as required by generally accepted auditing standards and the U.S. General Accounting Office's Governmental Auditing Standards.

All key professional staff members are licensed to practice in the State of New York. All staff members have taken the proper amount of continuing education classes primarily in the area of governmental accounting and auditing as required by Government Auditing Standards, the New York State Education Department and the American Institute of Certified Public Accountants. Some of these classes include Governmental Auditing and Accounting updates, the School District Accounting update, the Single Audit OMB circular A-133 update and the implementation of GASB Statement No. 68. The firm possesses a thorough understanding of the current GASB Statements and can assist the District in implementing these statements. Members of our firm have also been speakers at these seminars. All our professional staff members are reviewed on an annual basis. We have had a very low turnover rate over the years which translates into better service for our clients.

The key members of our firm are active members of the following professional societies and committees:

- New York Society of CPA's (NYSSCPA)
 - * Public School Accounting Committee
 - * Government Accounting and Auditing Committee
 - * Professional Ethics Committee
- American Institute of Certified Public Accountants (AICPA)
- New York State, Suffolk County and Nassau County Associations of School Business Officials (ASBO)
- Governmental Financial Officers Association (GFOA)
 - * Accounting, Auditing and Financial Reporting Committee
- Association of School Business Officials International (ASBOI)
- New York State Association of School Boards Association (NYSSBA)
- Association of Internal Auditors (AIA)
- School District Internal Auditors Alliance (SDIAA)
- Long Island Village Clerks and Treasurers Association (LIVCTA)

We maintain a complete law library, which includes education, municipal, finance, and town law. Our library also contains current professional accounting literature and standards (i.e., Governmental Auditing Standards, generally accepted auditing standards, GASBs, FASBs, Single Audit OMB A-133 Compliance Supplement).

Strategic Planning Meeting

We propose to conduct a strategic planning meeting to initiate our services for the Rocky Point Union Free School District. Such a meeting would serve a number of important purposes:

1. Identify key concerns and priorities of the District's management in an efficient and economical way so that those priorities can be built into our service approach from the beginning;
2. Stimulate innovative thinking and fresh insights into immediate and longer term decisions the District must make in terms of operations, finances, and other concerns;
3. Assist in developing constructive working relationships and positive interactions between the District's management and our team;
4. Ensure full involvement of our firm's top resources from the very onset.

III. PROFILE OF OUR FIRM

R.S. Abrams & Co., LLP has the strength of its personnel and its diverse and prestigious clientele. We are a major provider of services to school districts. (See Exhibit I for a listing of our school district external audit clientele.)

Our firm has two offices in Suffolk and Westchester Counties. Our Suffolk County office is located on Express Drive North in Islandia. Our Westchester County Office is located on Main Street in White Plains. The firm was founded in 1934 and has grown steadily over the years.

Commitment to Quality

The single most important factor in our firm's success over the past eighty years has been our uncompromising commitment to the highest standards of quality and professionalism. Providing quality service to our clients is our primary objective, and we have developed review procedures and communications that ensure the highest standards of performance. We will continue to rely on our proven policies and control procedures to anticipate Rocky Point Union Free School District needs and avert any problems.

Quality Control

R.S. Abrams & Co., LLP has successfully completed our peer review, which includes a review of specific school districts. We have provided a copy of our most recent quality control review (see Exhibit III). This is a program dedicated to ensuring that participating firms have quality control systems in place over their accounting and auditing practices. We are pleased to inform you that we received a quality control review rating of pass, which is the highest rating for a quality control review.

IV. SPECIFIC AUDIT APPROACH

The firm's audit approach includes audit procedures focused on specific identified risks and to perform an effective and efficient audit based on that plan. We assess risk both at the engagement level and at the account and potential-error level. Our audit plan for specific accounts and potential errors is based on whether we have identified specific risks and whether we decide to address potential errors by relying on controls and performing more rigorous substantive tests. We give particular attention to those accounts and potential errors for which we have identified specific risks. Our audit plan for those accounts and potential errors involves either relying on controls that mitigate the specific identified risks or performing focused substantive tests.

Taken as a whole, our audit plan is designed to provide reasonable assurance that the financial statements are not materially misstated. Reasonable assurance is derived from a combination of our risk assessment, tests of controls, and substantive tests. Our audit plan is also designed to enable us to respond to senior management's concerns and to render meaningful business advice to the client.

All levels of our employees are actively involved in all segments of our engagement from partner to staff accountant. We have a very low turnover history, and therefore, keep the same staff on the engagement if all concerned are happy with the individuals on the audit team. Our audit is conducted on a year round basis. We do not foresee any potential audit problems, but if this changes during the course of the audit, we will notify management immediately and discuss how to resolve the situation.

The following is an outline of the R.S. Abrams & Co., LLP Audit Approach:

- A. Perform Preliminary Engagement Activities:
 - 1. Assess Engagement Risk.
 - 2. Establish Terms of Engagements.
- B. Perform Preliminary Planning
 - 1. Understand the client's business utilizing the District's budget organizational charts, manuals and programs.
 - 2. Understand the accounting process utilizing District's financial and management information systems.
 - 3. Perform preliminary analytical procedures.
 - 4. Determine planning materiality.
 - 5. Develop client service objectives.
- C. Assess Risk
 - 1. Understand Control Environment through the use of narratives, questionnaires or walk-throughs.
 - 2. Assess risk at the account level.

- D. Develop Audit Plan
- E. Perform Audit Plan
 - 1. Test of controls (computer and manual).
 - 2. Substantive tests.
 - 3. Evaluate results of tests
 - 4. Perform substantive analytical review.
- F. Perform Tests of Compliance
 - 1. Determine laws and regulations that will be tests using a risk-based approach based on past history, observation and client inquiry.
 - 2. Determine audit samples for purposes of tests of compliance based on assessed level of risk.
- G. Conclude and Report
 - 1. Perform subsequent events review.
 - 2. Obtain management representations.
 - 3. Issue reports and management letter.
 - 4. Report to the Board of Education and Audit Committee.

V. PROFESSIONAL FEES

Our fees are based on the time spent on the engagement and the billing rates of the individuals assigned. We will bill the District on a quarterly basis for the audit. Those dates would be March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017. If any additional engagements are requested, we will bill the District at our standard billing rates. This fee includes meetings with the Audit Committee and with the Board of Education. We will not seek reimbursement for travel, lodging, subsistence, or other out-of-pocket costs incurred in connection with the audit of the District's finances. With R.S. Abrams & Co., LLP you get industry prominence at a reasonable rate. Based on our experience in other similar engagements, our proposed fee is as follows:

A. TOTAL ALL INCLUSIVE MAXIMUM PRICE:

Independent audit of the Financial Statements, the Single Audit of Federal Programs and Extraclassroom Activity Funds:

Fiscal year ending June 30, 2017	<u>\$30,400</u> *
Fiscal year ending June 30, 2018	<u>\$30,400</u>
Fiscal year ending June 30, 2019	<u>\$30,400</u>
Fiscal year ending June 30, 2020	<u>\$31,200</u>
Fiscal year ending June 30, 2021	<u>\$32,000</u>

* In light of the current economic conditions school districts are facing, and our long standing business relationship with the District, we have lowered our prior year fee by 5% for the first three years outlined in this proposal. We trust this will assist you with your current budgetary constraints.

B. BILLING RATES:

Title	Regular Hourly Rate	Quoted Hourly Rate
Partner	\$170	\$150
Manager/Supervisor	\$150	\$125
Senior Auditors	\$110	\$100
Staff Auditors	\$95	\$80

Although fees are important, they should not, in our view be the determining factor in the selection of an accounting firm for the Rocky Point Union Free School District. The choice of independent accountants and business advisors should always be made primarily on the basis of qualifications, capabilities and commitment.

We will spare no effort, now or in subsequent years, to find common ground for providing the level of services Rocky Point Union Free School District requires, at a reasonable cost.

References of School District External ClientsExternal Audits

Central Islip Union Free School District	Kevin Miller	631-348-5112
Comsewogue Union Free School District	Susan Casali	631-474-8116
Eastport South Manor School District	Richard Snyder	631-874-6720
East Rockaway Union Free School District	Lisa Ruiz	516-887-8300
Elwood Union Free School District	Keri Loughlin	631-266-5400
Eastchester Union Free School District	Lisa Sanfilippo	914-793-6130
Fire Island Union Free School District	Kevin Wurtz	631-583-5626
Franklin Square Union Free School District	Patrick Manley	516-481-4100
Greenport Union Free School District	Diane Duell	631-477-1950
Hauppauge Union Free School District	James Stucchio	631-761-8211
Herricks Union Free School District	Helen Costigan	516-248-3121
Hewlett-Woodmere Union Free School District	Dr. Peter Weber	516-374-8121
Island Park Union Free School District	Dr. Rosemarie Bovino	516-431-7268
Island Trees Union Free School District	Susan Hlavenka	516-520-2115
Levittown Union Free School District	William J. Pastore	516-520-8300
Malverne Union Free School District	Dr. James H. Hundefund	516-887-6405
Manhasset Union Free School District	Rosemary Johnson	516-267-7720
Massapequa Union Free School District	Alan Adcock	516-797-6180
Middle Country Central School District	Herbert Chessler	631-285-8020
Montauk Union Free School District	J. Philip Perna	631-668-2474
New Hyde Park–Garden City Park UFSD	Michael Frank	516-352-5909
North Merrick Union Free School District	Thomas McDaid	516-292-3696
Oceanside Union Free School District	Christopher Van Cott	516-678-1200
Oyster-Bay East Norwich Central School District	Stephen Valente	516-624-6500
Patchogue-Medford Union Free School District	Donna Jones	631-687-6330
Plainview-Old Bethpage Central School District	Dr. Lorna R. Lewis	516-434-3001
Pocantico Hills Central School District	Jay Scotto-Friedman	914-631-2440
Port Jefferson Union Free School District	Sean Lester	631-791-4500
Quogue Union Free School District	Richard Benson	631-653-4285
Rocky Point Union Free School District	Greg Hilton	631-849-7564
Sag Harbor Union Free School District	Christine Schnell	631-725-5300
Seaford Union Free School District	Elisa Pelati	516-592-4004
Sewanhaka Central High School District	Kevin O'Brien	516-488-9810
Smithtown Central School District	Andrew Tobin	631-361-2265
South Huntington Union Free School District	Lawrence Light	631-425-5300
Springs Union Free School District	Carl Fraser	631-324-0144
Wantagh Union Free School District	Adriana Silver	516-679-6308
Westhampton Beach Union Free School District	Kathy O'Hara	631-288-3800
West Islip Union Free School District	Wendy Duffy	631-893-3200
Wyandanch Union Free School District	Robert Howard	631-870-0400
Valley Stream #24 Union Free School District	Dr. Edward Fale	516-434-2830



License Information *

03/17/2014

Name : VAN DUYNE MARIANNE ELIZABETH

Address : SMITHTOWN NY

Profession : CERTIFIED PUBLIC ACCOUNTANCY

License No: 064793

Date of Licensure : 01/07/91

Additional Qualification : Not applicable in this profession

Status : REGISTERED

Registered through last day of : 04/17

* Use of this online verification service signifies that you have read and agree to the terms and conditions of use. See HELP glossary for further explanations of terms used on this page.

- Use your browser's back key to return to licensee list.
- You may search to see if there has been recent disciplinary action against this licensee.
- Note: The Board of Regents does not discipline *physicians(medicine), physician assistants, or specialist assistants*. The status of individuals in these professions may be impacted by information provided by the NYS Department of Health. To search for the latest discipline actions against individuals in these professions, please check the New York State Department of Health's Office of Professional Medical Conduct homepage.





License Information *

04/28/2015

Name : BATTAGLIA ALEXANDRIA MARY

Address : SMITHTOWN NY

Profession : CERTIFIED PUBLIC ACCOUNTANCY

License No: 085526

Date of Licensure : 06/20/01

Additional Qualification : Not applicable in this profession

Status : REGISTERED

Registered through last day of : 06/18

* Use of this online verification service signifies that you have read and agree to the terms and conditions of use. See HELP glossary for further explanations of terms used on this page.

- Use your browser's back key to return to licensee list.
- You may search to see if there has been recent disciplinary action against this licensee.
- Note: The Board of Regents does not discipline *physicians(medicine), physician assistants, or specialist assistants*. The status of individuals in these professions may be impacted by information provided by the NYS Department of Health. To search for the latest discipline actions against individuals in these professions, please check the New York State Department of Health's Office of Professional Medical Conduct homepage.





License Information *

01/19/2015

Name : KLEIN KATHERINE FAITH
Address : SOUTH SETAUKET NY
Profession : CERTIFIED PUBLIC ACCOUNTANCY
License No: 099149
Date of Licensure : 02/04/09
Additional Qualification : Not applicable in this profession
Status : REGISTERED
Registered through last day of : 12/17

* Use of this online verification service signifies that you have read and agree to the terms and conditions of use. See HELP glossary for further explanations of terms used on this page.

- Use your browser's back key to return to licensee list.
- You may search to see if there has been recent disciplinary action against this licensee.
- Note: The Board of Regents does not discipline *physicians(medicine)*, *physician assistants*, or *specialist assistants*. The status of individuals in these professions may be impacted by information provided by the NYS Department of Health. To search for the latest discipline actions against individuals in these professions, please check the New York State Department of Health's Office of Professional Medical Conduct homepage.





License Information *

Name : NELSON BRENDAN JOHN
Address : SAINT JAMES NY
Profession : CERTIFIED PUBLIC ACCOUNTANCY
License No: 121654
Date of Licensure : 06/24/16
Additional Qualification : Not applicable in this profession
Status : REGISTERED
Registered through last day of : 05/19

* Use of this online verification service signifies that you have read and agree to the terms and conditions of use. See HELP glossary for further explanations of terms used on this page.

- Use your browser's back key to return to licensee list.
- You may search to see if there has been recent disciplinary action against this licensee.
- Note: The Board of Regents does not discipline *physicians(medicine), physician assistants, or specialist assistants*. The status of individuals in these professions may be impacted by information provided by the NYS Department of Health. To search for the latest discipline actions against individuals in these professions, please check the New York State Department of Health's Office of Professional Medical Conduct homepage.





A History of Shaping Futures

System Review Report

Kevin J. McCoy, CPA
 Thomas W. Donovan, CPA
 Frank S. Venezia, CPA
 James E. Amell, CPA
 Carol A. Hausmann, CPA
 Daniel J. Litz, CPA
 Karl F. Newton, CPA
 Kevin P. O'Leary, CPA
 Timothy A. Reynolds, CPA
 Martin D. Hull, CPA

 Thomas J. Ross, CPA
 Heather D. Patten, CPA

To the Partners
 R.S. Abrams & Co., LLP
 and the Peer Review Committee of the NYSSCPA

We have reviewed the system of quality control for the accounting and auditing practice of R.S. Abrams & Co., LLP (the firm) in effect for the year ended March 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of R.S. Abrams & Co., LLP in effect for the year ended March 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. R.S. Abrams & Co., LLP has received a peer review rating of *pass*.

Marvin and Company, P.C.

Latham, NY
 July 18, 2014

www.marvinpc.com

*An Independent Member of the
 BDO Seidman Alliance*

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

**Prepared by:
R.S. ABRAMS & CO., LLP**

Suffolk Location
3033 Express Drive North, Suite 100
Islandia, NY 11749
631-234-4444

Westchester Location
50 Main Street, Suite 1000
White Plains, New York 10606

www.rsabrams.com

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

TABLE OF CONTENTS

I.	Tax Shelter Annuities - Limitations	1
II.	Reserves Available to School Districts and Local Governments	1- 6
III.	2015 Opportunity Agenda	6
IV.	Guidance For School Districts and Local Governments	
	A. Real Property Tax Cap Changes	7
	B. Real Property Tax Rebate Program	7
V.	Top Ten Internal Control Deficiencies Cited In The New York State Comptroller's Reports	7
	10. Student Enrollment and Billings	7
	9. Revenue/ Cash Management	7-8
	8. Transportation	8
	7. Information Technology	8
	6. Payroll/Personnel	9
	5. Leave Accruals	9
	4. Purchasing/Accounts Payable	9
	3. Claims Audit	9
	2. Budget Review	9
	1. Financial Condition/ Management	10
VI.	Employer Tax and Reporting Guidelines	
	A. New York State Minimum Wage	10
	B. IRS Form W-2 & Form W-3 Reporting	10-15
	C. IRS 1099 Miscellaneous Form Reporting	15-16
	D. Fringe Benefits	
	1. Group Term Life Insurance	17
	2. Automobile Expense	17-18
	3. Employee Benefits Accountable and Non Accountable Plans	18-19

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

4. Per Diem Allowance	19
5. Cell Phones	20
VII. IRS Mileage Rates	20
VIII. Retirement Contribution Plans Update	21
IX. GASB Update- Highlights Of Newly Issued Statements	21-26
X. Not-For-Profit Update	26-30
XI. Changes to Federal Grant Requirements	30-32
XII. 1040 Considerations	32-39
XIII. Health Care Reform Changes Effective for 2015	40-43

Appendixes

- A. Employer's Worksheet To Calculate Employee's Taxable Income For Employer-Provided Vehicle
- B. 403 (B) Salary Reduction Contribution Eligibility Notification
- C. Certification Worksheet 1 Maximum Amount Contributable (MAC)
- D. Certification Worksheet 2
Cost of Incidental Life Insurance/Includible Compensation/Limit on Catch-up Contributions
- D-1. Uniform One-Year Term Premiums for \$1,000 Life Insurance Protection
- E. List of 20 Common Law Factors Used to Classify Workers
- F. Maximum Federal Per Diem Rates

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

I. TAX SHELTER ANNUITIES – LIMITATIONS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Exclusion for elective deferrals [IRC §402(g)(1)]	\$17,000	\$17,500	\$17,500	\$18,000	\$18,000
Limitation on total elective and non-elective contributions [IRC §415 (c)(1)(A)]	\$50,000	\$51,000	\$52,000	\$53,000	\$53,000
Limitation on deferrals under government [IRC §457(b)(2), IRC §457(c)(1)]	\$17,000	\$17,500	\$17,500	\$18,000	\$18,000
Age 50 catch-up contributions limit (non-SIMPLE plans)[IRC §414(v)(2)(B)(i)]	\$5,500	\$5,500	\$5,500	\$6,000	\$6,000
15 years of service catch-up limit	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

Refer to Appendix B for “403(B) Salary Reduction Contribution Eligibility Notification” and Appendix C and Appendix D for Certification Work Sheets to assist in calculating limitations for tax shelter annuities.

II. RESERVES AVAILABLE TO SCHOOL DISTRICTS AND LOCAL GOVERNMENTS

AS PERMITTED BY GENERAL MUNICIPAL LAW:

Capital Reserve

Capital reserves (GML §6-c, 6-g) available to counties, cities, villages, towns, fire districts, and town or county sewer and water improvement districts are used to finance all or part of the cost of construction, reconstruction or acquisition of a *specific* or *type* of capital improvement or the acquisition of a *specific* or a *type* item of equipment. Creation and use of a capital reserve is as follows:

Specific Capital Reserves

The creation of a specific capital reserve requires Board resolution, which must state the estimated maximum cost of the item of equipment or improvement. The establishment of a specific capital reserve is subject to permissive referendum if the authorization to issue indebtedness for the same improvement or equipment is subject to either a permissive or mandatory referendum, except for fire districts. For fire districts, the qualified electors of the fire district must vote and approve the establishment of the specific capital reserve. Expenditures from a specific capital reserve must be authorized by the Board.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Type Capital Reserves

The creation of a type of capital reserve should be authorized by the Board by formal resolution however, there is no requirement to state an estimated maximum cost of the equipment or improvement in the resolution. Except for fire districts, a referendum is not required when establishing a type capital reserve. For fire districts, the qualified electors of the fire district must vote and approve the establishment of the specific capital reserve. For certain municipalities, expenditures from a type of capital reserve are subject to permissive referendum. If the authorization for the purchase of such improvement or equipment is subject to permissive or mandatory referendum, the expenditure for the same purpose is generally subject to permissive referendum.

The capital reserves are funded by budgetary appropriations and revenues not required by law to be paid into any other fund or account. After all outstanding claims have been satisfied, the Board may appropriate all or part of any unexpended balances remaining in a specific or type of capital reserve to another capital reserve without referendum. If a specific capital reserve was established and the improvement or item of equipment was not acquired or completed, the transfer of funds is subject to permissive referendum if the authorization for the creation of the reserve was subject to permissive referendum. Additionally, while subject to a public hearing with fifteen days notice, the unexpended balance may be transferred to a retirement contribution reserve.

Employee Benefit Accrued Liability Reserve

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service (long-term compensated absences liability). This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations, with funds from other reserves as authorized under Article 2 of the General Municipal Law, by resolution subject to permissive referendum and such funds that may be legally appropriated. General Municipal Law (GML) allows local governments and school districts to establish an Employee Benefit Accrued Liability Reserve (EBALR) for the purpose of paying only costs associated with compensated leave paid directly to or on behalf of employees upon separation from employment. Expenditures can be made without voter approval. The reserve is accounted for separate and apart from all other funds of the school district and local government. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

However, unlike the liability calculation for compensated absences under GASB No. 16, school districts and local governments cannot legally accumulate funds in an EBALR for salary-related costs, such as FICA and Medicare taxes. Also, Other Post Employment Benefit (OPEB) costs, employer retirement contributions and/or retirement incentives for employees cannot be funded by EBALR. Presently, there is no other reserve fund authorized by the GML, or any other law for these salary-related costs. Instead, the school districts and local governments must appropriate funds in each year's budget to pay for salary-related costs associated with separation from employment.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Insurance Reserve

The insurance reserve (GML §6-n) is used to pay liability, casualty and other types of losses. The reserve may also be utilized to pay for expert or professional services in connection with the investigation, adjustment, or settlement of claims, actions or judgments. It does not include accident, health, life or other specified losses. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The reserve is accounted for separate and apart from all other funds of the school district. Expenditures can be made without voter approval. The annual contribution to the reserve may not exceed the greater of \$33,000 or 5 percent of the annual budget. If the Board decides it no longer needs an insurance reserve fund, it may transfer the monies remaining to any other reserve fund as authorized under Article 2 of the General Municipal Law or by Education Law Section 3651, subject to any liabilities incurred or accrued against the fund. Board members commit a misdemeanor if they authorize a withdrawal from or expend money withdrawn from the insurance reserve fund for any purpose not authorized by law. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Mandatory Reserve Fund

Mandatory reserve fund (GML §6-1) is required to be established to restrict the use of the proceeds of the cash sale of property or capital improvements and state and federal aid received for capital improvements, for the purpose of retiring the outstanding obligations that were issued to finance the improvements. The creation of the reserve is mandatory and voter approval is not required to expend monies from the reserve. Expenditures may only be made to retire the obligations issued to finance the capital improvement sold or for which federal or state aid is received. Board members commit a misdemeanor if they authorize a withdrawal from or expend money withdrawn from the reserve fund for any purpose not authorized by law. Excess funds that may remain in the reserve after all of the outstanding obligations have been retired may be used for any lawful purpose. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Repair Reserve

Repair reserve (GML §6-d) is used to pay the cost of repairs of capital improvements or equipment, which repairs are of a type not recurring annually or shorter intervals. The Board without voter approval may establish a repair reserve fund by a majority vote of its members. The reserve is accounted for separate and apart from all other funds of the school district and local government. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held and at least five days has elapsed between the publication of the notice of hearing and the date specified for the hearing, except in emergency situations. If no hearing is held, the Board must pass a resolution that is approved by at least a two-thirds vote. Additionally, at least one half of the amount expended must be repaid to the reserve fund in the next fiscal year and the balance be repaid by the end of the following fiscal year. Board members commit a misdemeanor if they authorize a withdrawal from or expend money withdrawn from the repair reserve fund for any purpose not authorized by law. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Retirement Contribution Reserve

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions made to the New York State and Local Employees' Retirement System. The reserve may be established by Board action and is funded by budgetary appropriation, revenues that are not required to be paid into any other fund or account, transfers from other reserve funds within legal requirements, and such other funds as may be legally appropriated. Expenditures from this reserve may only be made after the Board has passed a resolution authorizing the financing of retirement contributions. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. If the Board decides it no longer needs a retirement contribution reserve fund, it may terminate the reserve fund by formal resolution and transfer the monies remaining to any other reserve fund as authorized under General Municipal Law or by Education Law Section 3651. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Unemployment Insurance Payment Reserve

Unemployment insurance payment reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method (instead of the contribution method). The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Expenditures can be made without voter approval. Expenditures may be made only as required by law to pay into the Unemployment Insurance Fund in an amount that is equivalent to the amount of benefits paid to claimants. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Workers' Compensation Reserve

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. The reserve is accounted for separate and apart from all other funds of the school district and local government. Expenditures can be made without voter approval. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

AS PERMITTED BY EDUCATIONAL LAW:

Capital Reserve

Capital reserves (Education Law §3651) available to school districts are used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. If the voters determine that the original purpose for which the reserve was established is no longer needed, the reserve may be liquidated, the proceeds first be applied to any outstanding indebtedness and the remaining balance, if any, be applied to reduce the annual tax levy subject to certain limitations set in the law. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Property Loss/Liability Reserve

The property loss/liability reserve (Education Law §1709(8-c)) is used to pay for property loss and liability claims incurred. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Separate reserve funds must be established for property loss and for liability claims. The separate identity of each fund must be maintained, whether its assets consist of cash or investments, or both. Expenditures can be made without voter approval. For school districts, each reserve may not exceed the greater of 3% of the annual budget or \$15,000. For BOCES, the total amount of reserves cannot exceed 3% of the annual budget. Once the reserve is established, the reserve fund may not be reduced (other than by payments for losses for which the reserve was established) below the estimated amount necessary to cover unsettled claims or suits. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Reserve for Inventory

Reserve for inventory is used to restrict that portion of fund balance which is not available for appropriation. This reserve is classified as nonspendable fund balance as per GASB Statement No. 54.

Reserve for Tax Reduction

The reserve for tax reduction (Education Law, §1604 & §1709) is for the gradual use of the proceeds of the sale of school district real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years and to use them during that period for tax reduction. The reserve may be established by Board action and expenditures can be made without voter approval. This reserve is classified as unassigned fund balance as per GASB Statement No. 54.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Tax Certiorari Reserve

Chapter 588 of the laws of 1988 amended district real property §3651 of the Education Law to permit the establishment of a reserve fund for tax certiorari and to expend from the fund without voter approval of the qualified voters of the school district. The reserve is funded by budgetary appropriations.

The new Chapter further stipulates that the total of the monies held in the reserve fund shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings.

Any monies deposited to such a reserve fund which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is classified as restricted fund balance as per GASB Statement No. 54.

Excess Fund Balance -- Creation of Reserves

If a District has excess fund balance, the District may utilize excess fund balance to establish reserve funds that do not require prior voter approval. The Commissioner has consistently ruled that districts may utilize these reserves provided that such reserve funds are established and the excess fund balance is appropriated to the reserve prior to the issuance of the tax levy. (*Appeal of Muench, 43 Ed. Dept. Rep. 419, Dec. No. 15,039 [2004]; Real Property Tax Law Section 1318 (1)*).

Allocation of Interest

Interest earned on the monies residing in reserves throughout the year must have interest allocated based on their respective balances.

III. 2015 OPPORTUNITY AGENDA

On January 21, 2015, Governor Andrew M. Cuomo presented his 2015 Opportunity Agenda which represents a \$1.66 billion property tax credit program providing relief to homeowners and renters.

- The purpose of the “2015 Opportunity Agenda” is to help provide tax relief for middle and lower income families with respect to the burden of high property taxes.
- Creates a Real Property Tax Credit for families whose property taxes are more than six percent of their income.
- Taxpayers who have income below \$250,000 would be eligible for the credit, which would result in a credit of up to 50 percent of the total property taxes that is more than six percent of their income. The amount of the credit is based on an income scale.
- Taxpayers with low income brackets and other taxpayers with the highest property taxes may benefit with the most relief under the agenda.

New York State has published the above proposal which is located at:
<https://www.governor.ny.gov/news/2015-opportunity-agenda-restoring-economic-opportunity>

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

IV. GUIDANCE FOR SCHOOL DISTRICTS AND LOCAL GOVERNMENTS

On June 26, 2015, Chapter 20 of the Laws of 2015 (S. 6012) was passed. Some of the key provisions of this legislation are discussed below.

A. Real Property Tax Cap Changes

This bill extended the provisions of the tax cap for four more years, through June 15, 2020. It also authorized the Commissioner of the Department of Taxation and Finance to amend the exclusion by providing for adjusting a school district's capital local expenditures to reflect the school district's share of capital expenditures made by a Board of Cooperative Educational Services (BOCES). It also provided for the Commissioner to adjust the calculation of the tax base growth factor to reflect development on tax-exempt property within the jurisdiction, which was formerly excluded from this calculation.

B. Real Property Tax Rebate Program

The bill created a new tax rebate program to provide credits in the form of advance payments to certain taxpayers in 2016 through 2019, who own and reside in property receiving basic or enhanced STAR, located outside of New York City. The credit for 2016 will be \$130 for taxpayers in the Metropolitan Transportation Authority Region with household incomes up to \$275,000, and \$185 elsewhere with household incomes up to \$200,000. In subsequent years, the credit will be based on a percentage of the property STAR savings, using a progressive income-based percentage schedule. For example, a taxpayer with income below \$75,000 would receive a credit payment of 28% of STAR savings for 2017, which would grow to 85% of STAR savings for 2019. In order to receive this credit, the taxpayer's school district must comply with the tax cap. Municipal compliance with the tax cap is only required for the Big 4 upstate cities (Buffalo, Rochester, Syracuse, and Yonkers).

V. TOP TEN INTERNAL CONTROL DEFICIENCIES CITED IN THE NEW YORK STATE COMPTROLLER'S REPORTS

10. Student Enrollment and Billings

- ◆ Billings were not accurate and enrollment was not supported.
- ◆ Student files lacked proof of residency or were inaccurate.
- ◆ There were inaccuracies that were identified in the end-of-year reconciliation of the bill which lead to overbilling.

9. Revenue/Cash Management

- ◆ Cash Receipts:
 - The Board has not adopted written policies and procedures over departmental cash receipts.
- ◆ Revenue Reimbursement:
 - The District did not ensure all billings were being billed for various reimbursements due to the District.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- ◆ **On-line Banking:**
 - District officials had unnecessary online banking access for all of its bank accounts.
 - District officials did not secure user names, passwords and token devices that were utilized for online banking.
 - The District did not have written bank agreements.
 - The District did not establish alerts and other security measures with their banking institutions.
 - ◆ **Treasurer:**
 - The Treasurer did not prepare and present monthly reports to the Board and prepare bank reconciliations in a timely manner.
 - The Treasurer does not oversee the use of her signature on checks or compare checks to the warrant prior to issuance.
- 8. Transportation**
- ◆ The District did not establish policies and procedures over fuel inventories.
 - ◆ The District paid federal, state and local taxes on fuel purchases.
 - ◆ The District did not maintain complete and adequate fuel inventory records.
 - ◆ The District did not review fuel transaction activity on a monthly basis to identify unusual transactions.
 - ◆ The Director of Facilities and Operations did not ensure the gates surrounding the unleaded gasoline fuel tank were secure each night.
 - ◆ The District was not reimbursed for all fuel used for non-District purposes by the transportation contractor.
 - ◆ The District did not maintain total control over the fuel process.
- 7. Information Technology**
- ◆ The Board did not establish an acceptable use policy, a computer security plan, a disaster recovery plan, policies and procedures for the disposal of computer equipment or a policy for security awareness training.
 - ◆ The Board has not adopted a policy for the use of and access to personal, private and sensitive information.
 - ◆ User access within the network and financial software was not limited based on job duties.
 - ◆ Terminated employees were not deactivated in the computer system.
 - ◆ Audit logs were not maintained and reviewed by someone independent of the business office.
 - ◆ The District's information technology inventory was incomplete and inaccurate and an inventory of software licenses was not maintained.
 - ◆ The District did not adequately secure all of its information technology hardware.
 - ◆ The District did not have written procedures for adding, deleting or modifying individual access to the financial system.
 - ◆ Systems administration was not independent of business office operations.
 - ◆ The District did not establish comprehensive policies and procedures for mobile devices.
 - ◆ The District did not implement safeguards over mobile devices including passwords and limiting administrative access, including the download and installation of programs and applications to only information technology staff.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

6. Payroll/Personnel

- ◆ The District did not have written contract agreements with supervisory employees outlining salaries and benefits.
- ◆ Access rights to the payroll and human resources module were not limited.
- ◆ District officials did not ensure that all required employees completed and submitted timesheets.
- ◆ District officials did not review the direct deposit upload document or compare to the certified payroll.

5. Leave Accruals

- ◆ The District did not establish policies and procedures for leave accrual balances.
- ◆ Leave time records were not maintained for all employees and there was no independent review of leave time records.
- ◆ Employees' leave accrual balances carried over were performed manually.
- ◆ There was no supervisory review to ensure that leave time earned and used was accurate and in accordance with collective bargaining agreements and employment contracts.

4. Purchasing/Accounts Payable

- ◆ The Board did not adopt policies and procedures for cash disbursements and claims processing.
- ◆ Purchases did not always comply with General Municipal Law.
- ◆ There were no written agreements with professional service providers.
- ◆ The District did not properly seek competition for professional service providers.
- ◆ The regulations of the procurement policy did not provide adequate guidance for seeking competition when procuring professional services.
- ◆ Purchase orders were not always utilized.

3. Claims Audits

- ◆ The claims auditor did not properly review claims to ensure that they were accurate, properly supported and for valid District purposes.
- ◆ The claims auditor did not properly review the cell phone claims for proper and accurate charges.
- ◆ The claims auditor did not report to the Board or prepare written reports for the Board showing the results of claims audits.

2. Budget Review

- ◆ Significant revenue and expenditure projections in the proposed budget were not reasonable.
- ◆ District officials consistently overestimated expenditures and underestimated revenues in the adopted budgets.
- ◆ The Board and administration did not include actual historical expenditures as compared to the proposed budget for taxpayer's consideration.
- ◆ The Board did not receive budget-to-actual or budget transfer reports.
- ◆ The proposed budget did not comply with the property tax levy limit.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

1. Financial Condition/Management

- ◆ Reserves were not formally established and there was no plan for funding and using the reserves.
- ◆ The District did not adopt a policy or provide calculations or justifications for reserve funding levels.
- ◆ The Board appropriated significant amounts of reserves in the annual budgets resulting in a negative unassigned fund balance.
- ◆ The District appropriated fund balance as a funding source in amounts that exceeded the fund balance actually available and spent more than it received over the past three years.
- ◆ The District used surplus funds each year to finance reserves instead of funding reserves through the annual budget process.
- ◆ District officials inappropriately transferred funds from reserves and transfers were not approved by voters as required.
- ◆ The District's reserve fund balances were excessive.
- ◆ The District appropriated fund balance that was not needed to fund future budgets.
- ◆ District officials incorrectly reported reserve funds cash balances as unrestricted rather than restricted in the District's financial statements.
- ◆ The Board had not developed a multiyear financial plan.
- ◆ Unassigned fund balance exceeded the statutory limit of 4% of next years' budget.
- ◆ The District needed to borrow several million dollars throughout the audit period for cash flow purposes.
- ◆ District officials improperly accounted for certain financial activity related to the capital projects fund, the debt service fund and encumbrances.
- ◆ The District had a deficit fund balance in the school lunch fund and relied on the general fund to subsidize operations in the school lunch fund.
- ◆ The school lunch fund's total fund balance exceeded the federally regulated limit.
- ◆ The District had not taken corrective action in response to external audits.

VI. EMPLOYER TAX AND REPORTING GUIDELINES

A. New York State Minimum Wage

Effective December 31, 2015, the New York State minimum wage is increasing from \$8.75 per hour to \$9.00 per hour. Information from the New York State Department of Labor can be found at www.labor.ny.gov.

B. IRS Form W-2 & Form W-3 Reporting

Form W-2 Reporting

Employee Copies Must be postmarked by February 1, 2016.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Electronic Payee Statements If employees give their consent, you may be able to furnish Copies B, C, and 2 of Form W-2 to your employees electronically. See Pub. 15-A, Employer's Supplemental Tax Guide, for additional information.

Due Date For Filers - If you file your 2015 Form W-2 and Form W-3 with the Social Security Administration (SSA) electronically, the due date is March 31, 2016. If you file using paper forms, you must file Copy A of Form W-2 with Form W-3 by February 29, 2016.

Form 944 - Use the "944" checkbox in **Box b** of Form W-3 if you filed Form 944, Employer's Annual Federal Tax Return.

Earned Income Credit (EIC) Notice - You must notify employees who have no income tax withheld that they may be able to claim an income tax refund because of the EIC. You can do this by using the official IRS Form W-2 with the EIC notice on the back of Copy B or a substitute Form W-2 with the same statement. You must give your employee Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording, if certain conditions apply. For more information, see Section 10 in Pub. 15 (Circular E).

Election Workers - Report on Form W-2 payments of \$600 or more to election workers for services performed in state, county, court and municipal elections. Do not report election worker payments on Form 1099-MISC. Social Security and Medicare taxes apply to election workers who are paid \$1,600 or more for 2015 and \$1,700 or more for 2016. FICA is due on all wages, including the first \$1,599 of the election workers wages if they exceed \$1,600. If the employer anticipates the election worker exceeding the threshold, they may want to begin withholding FICA the first pay period.

Employment Tax Information - Detailed employment tax information (www.irs.gov) is given in

- Publication 15 (Circular E), Employer's Tax Guide
- Publication 15A, Employer's Supplemental Tax Guide
- Publication 15-B, Employer's Tax Guide to Fringe Benefits

Household Workers - Social Security and Medicare taxes apply to wages of household workers who are paid \$1,900 or more for 2015 and \$2,000 for 2016.

Incorrect Address on Employee's Form W-2

Employers may reissue a Form W-2 to the employee by placing the Form W-2 with an incorrect employee address in an envelope with the correct address for mailing to employees.

Box 1 - Wages

- Include total taxable wages, bonuses, tips, prizes and awards paid to employees during the year. Also include certain fringe benefits including but not limited to:
 - Taxable cost of group-term life insurance in excess of \$50,000.
 - Taxable benefits from a Section 125 Plan if the employee chooses cash.
 - Certain scholarships and fellowship grants.
 - Taxable payments for moving expenses.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- The cost of accident and health insurance premiums for 2% or more shareholder-employees paid by an S corporation
 - Employee or employer contributions to an Archer MSA
 - Payments for non-job-related educational expenses, unless they are excludable under the educational assistance programs.
 - Employee or employer (if includible) contributions to an HAS
 - Employer contributions for qualified long-term care services to the extent that such coverage is provided through a flexible spending or similar arrangement.
-
- Certain employee business expense reimbursements - payments in excess of the amounts treated as substantiated under an accountable plan and all payments made under a non-accountable plan.
 - Cost of current insurance protection under a compensatory split dollar life insurance arrangement.

Box 2 – Federal income tax withheld

Box 3 – Social Security Wages

- Total should not be more than \$118,500 (for 2015).
- Total should not be more than \$118,500 (for 2016).

Box 4 Social security tax withheld

- 6.20% of amount reported in Box 3, not to exceed \$7,347 for 2015 and 2016.

Box 5 – Medicare wages

- No wage base limit.

Box 6 – Medicare tax withheld

- 1.45% of amount reported in Box 5 (plus any additional medicare tax).

Box 7 – Social security tips

Box 8 – Allocated tips

Box 9 – Do not enter an amount in Box 9

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Box 10 – Dependent care benefits

- Include dependent care benefits under Section 125 and Section 129. Report excess over \$5,000 in Boxes 1, 3 and 5 as income. If reimbursed in subsequent year for current year, it must be reported on Form W-2. Health benefits and insurance under Section 125 not included on Form W-2. The employer should report the *Fair Market Value* of the daycare facility provided or sponsored by the employer.

Box 11 – Non-qualified plans

- Show the amount of distributions to an employee from a non-qualified plan or a non-governmental Section 457(b) Plan, also include these distributions in Box 1. Distributions from governmental Section 457(b) plans must be reported on form 1099-R, not in box 1, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts.

Box 12 – Benefits included in Box 1

- Report the total value of taxable fringe benefits included in Box 1. Do not include amounts reported in Box 10.
- Do not report in Box 12 any items that are not listed as Codes A-EE below. (Do not enter more than four codes on each Copy A, use a separate Form W-2).
- Do not report Section 414(h) (2) contributions in Box 12. Instead use Box 14 for these items, and any other information that you wish to give to your employee.

Applicable Reference Guide for Box 12 codes is as follows (enter codes using capital letter(s):

- A. Uncollected social security or RRTA tax on tips
- B. Uncollected Medicare tax on tips
- C. Taxable cost of group-term life insurance over \$50,000
- D. Elective deferrals under a Section 401(k) cash or deferred arrangement (including a SIMPLE 401 (k) arrangement)
- E. Elective deferrals under a Section 403(b) salary reduction agreement
- F. Elective deferrals under a Section 408(k)(6) salary reduction SEP
- G. Elective deferrals and employer contributions (including non-elective deferrals) to a Section 457(b) deferred compensation plan (state and local government and tax-exempt employers)
- H. Elective deferrals to a Section 501(c)(18)(D) tax-exempt organization plan
- J. Nontaxable sick pay
- K. 20% excise tax on excess golden parachute payments
- L. Substantiated employee business expense reimbursements (Federal rate)
- M. Uncollected social security or RRTA tax on taxable cost of group-term life insurance coverage over \$50,000 (for former employees)

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- N. Uncollected Medicare tax on taxable cost of group-term life insurance coverage over \$50,000 (for former employees)
- P. Excludable moving expense reimbursements paid directly to employee
- Q. Non-taxable combat pay
- R. Employer contributions to an Archer MSA
- S. Employee salary reduction contributions under a Section 408(p) SIMPLE
- T. Adoption benefits. Also, include adoption benefits paid or reimbursed from pre-tax contributions made by the employee under a section 125 plan.
- V. Income from the exercise of non-statutory stock options
- W. Employer contributions (including employee contributions through a cafeteria plan) to an employee's Health Savings Account (HSA)
- Y. Deferrals under a Section 409A nonqualified deferred compensation plan
- Z. Income under Section 409A on a nonqualified deferred compensation plan
- AA. Designated Roth Contributions under a Section 401(K) Plan
- BB. Designated Roth Contributions under a Section 403 (b) Salary Reduction Agreement
- DD. Cost of employer-sponsored health coverage
- EE. Designated Roth contributions under a governmental Section 457(b) plan

Box 13 – Checkboxes

- Check the boxes that apply.
 - Statutory employee
Check this box for all statutory employees whose earnings are subject to Social Security and Medicare taxes but not subject to Federal income tax withholding.
 - Retirement plan
Check this box if the employee was an active participant (for any part of the year) in any of the following:
 - 1) A qualified pension, profit-sharing, or stock bonus plan described in Section 401(a) including a 401(k) plan;
 - 2) An annuity plan described in Section 403(a);
 - 3) An annuity contract or custodial account described in Section 403(b);
 - 4) A simplified employee pension (SEP) plan described in Section 408(k);
 - 5) A SIMPLE retirement account described in Section 408(p);
 - 6) A trust described in Section 501(c)(18);
 - 7) A plan for federal, state, or local government employees or by an agency or instrumentality thereof (other than a section 457 plan).

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- **Third-party sick pay**

Check this box only if you are a third-party sick pay payer filing a Form W-2 Form for an insured's employee or are an employer reporting sick pay payments made by a third party. See Sick Pay Reporting in Section 6 of Pub. 15-A.

Box 14 – Other

- If you included 100% of a vehicle's annual lease value in the employee's income, it also must be reported here or on a separate statement to your employee. You may also use this box for any other information you want to give your employee and label each item. For example - Section 414(h) contributions. (Not taxable on federal, taxable on state and city).

Box 15 through Box 20

- Use these boxes to report state and local tax information.

Form W-3 Reporting

A Form W-3 must be transmitted with copies of Form W-2 and filed by February 29, 2016. However, if you file electronically (not by magnetic media), the due date is March 31, 2016. You may owe a penalty for each Form W-2 filed late. File the entire Copy A page of Form W-2 with the entire page of Form W-3 at the following address:

Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001

If you use "Certified Mail" to file, the zip code should be 18769-0002.

Amounts reported on related employment tax forms (for example Form W-2, Forms 941, 943, or 944) should agree with the amounts on Form W-3. If there are differences, you may be contacted by the IRS or SSA. You should retain a reconciliation for future reference.

Do not send undeliverable Form W-2s to the Social Security Administration. Keep undeliverable Form W-2s (employee copies) for four years demonstrating that you tried to deliver the Form W-2s, but could not. However, if the undelivered Form W-2 can be produced electronically through April 15th of the fourth year after the year of issue, you do not need to keep undeliverable employee copies.

C. IRS 1099 Miscellaneous Form Reporting

In general, Form 1099-MISC must be issued to all persons where payments for rents or services (including parts and materials), prizes and awards, and other income payments are \$600 or more. Generally payments to a corporation do not have to be reported on Form 1099-MISC. Attorneys and medical and healthcare providers are issued a Form 1099-MISC regardless of the type of entity (\$600 or more threshold still applies). The Form 1099-MISC must be filed with the IRS by February 29, 2016, (March 31, 2016 if filing electronically, which you may be required to do) along with a

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

1096 transmittal form. The recipient's copy must be postmarked by February 1, 2016 (or February 16, 2016 if reporting amounts in box 8 or 14).

For entities located in New York State, the Internal Revenue Service Center paper filing address is:

Department of the Treasury
Internal Revenue Service Center
Austin, TX 73301

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

D. Fringe Benefits

All fringe benefits are taxable unless the law specifically excludes it. IRS Publication 15-B, *Employer's Tax Guide to Fringe Benefits* discusses these exclusions in detail. Below is a highlight of some of the more commonly encountered fringe benefits.

1. Group Term Life Insurance

Under a group-term arrangement an employee may exclude from income the first \$50,000 of coverage. If the employee receives more than \$50,000 in group term life insurance, the following table should be used to determine the amount of taxable gross income:

Annual monthly cost per \$1,000 of coverage over \$50,000 (for 1 month)	
Under age 25	\$0.05
25 through 29	0.06
30 through 34	0.08
35 through 39	0.09
40 through 44	0.10
45 through 49	0.15
50 through 54	0.23
55 through 59	0.43
60 through 64	0.66
65 through 69	1.27
70 and above	2.06

To calculate the total cost to include in the employee's wages, multiply the monthly cost by the number of full months' coverage at that cost.

2. Automobile Expense

Employer-provided cars that are used exclusively for business purposes are excluded from an employee's income if the business use can be substantiated. The value of employer-provided cars used for personal purposes, such as commuting to and from work, is included in an employee's gross income.

Annual Lease Value

If an employer provides an employee with an automobile for personal use, the benefit provided may be calculated as the Fair Market Value of the Annual Lease of the automobile. For an automobile that is provided to an employee for less than an entire year, the value of the benefit provided is either a pro-rated Fair Market Value of the Annual Lease or the Daily Lease Fair Market Value, whichever is applicable. The amount of the Annual Lease value or a pro-rated Annual Lease Value or the Daily Lease Value, as applicable, is included in the gross income of the employee.

NEW DEVELOPMENTS, YEAR END UPDATE AND 1040 CONSIDERATIONS JANUARY 2016

The Annual Lease Value of a particular automobile is calculated as follows:

- Determine the fair market value of the automobile as of the first date on which the automobile is made available to any employee of the employer for personal use.
- Select the dollar range in column 1 of the Annual Lease Value Table (see Appendix A) corresponding to the fair market value of the automobile. The Annual Lease Value for each year of availability of the automobile is the corresponding amount in column 2 of the Table.

If substantiating records are maintained, the Annual Lease Value is then multiplied by the percentage of personal use. This amount is included in the employee's gross income. (See Appendix A for worksheet).

Commuting Rule

The fair market value of the use of employer-provided commuter vehicles is included in an employee's gross income and is subject to withholding and employment taxes. Under a special valuation rule, however, the commuting use of an employer-provided vehicle is valued at \$1.50 per employee for each one-way commute. Use of the commuting rule requires that the vehicle is used solely for business and commuting purposes. A written policy must exist stating that the employee is not allowed to use the vehicle for personal purposes other than commuting or de minimis personal use.

Control Employee

A control employee cannot use the commuting rules. A control employee is defined for government employees by the IRS as any elected official or any employee whose compensation equals or exceeds Federal Government Executive Level V. For 2016 and 2015 the level is \$150,200 and \$148,700, respectively. An employer can choose to alternative definition of a control employee as any highly compensated employee. A highly compensated employee for 2015 is anyone who received more than \$115,000 in pay the previous year or who owns 5% of the entity at anytime during the current or previous year. Also, you do not have to meet the first criteria (receiving more than \$115,000 in pay the preceding year) if the employee was not also in the top 20% of earners with the organization for the preceding year. If the government provides a vehicle to an employee with compensation in excess of these amounts, the government must calculate the auto fringe benefit using the annual lease value.

3. Employee Benefits Accountable and Non Accountable Plans (See IRS Publication 463)

Reimbursements

A reimbursement or other expense allowance arrangement is a system or plan that an employer uses to pay, substantiate, and recover expenses, advances, reimbursements, and amounts charged to the employer for employee business expenses.

Reimbursement for the business use of a personal car by an employee can be based on the actual operating expenses of using a car or the standard mileage rate determined by the IRS.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Non Accountable Plan

The amount paid to an employee for travel and other necessary expenses of your business is treated as supplemental wages and is subject to income tax withholding, FICA & FUTA if the following conditions exist:

- Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation.
- You advance an amount to your employee for business expenses and your employee does not return timely any amounts not used.
- You advance or pay an amount to your employee without regard for anticipated or incurred business expenses.

Accountable Plans

To be an accountable plan, the employer's reimbursement or allowance arrangement must require the employee to meet all three of the following:

- There must be a business connection for the expenses - this is satisfied if the expenses have been paid or incurred in connection with the performance of services as an employee.
- The employee must adequately account to the employer for these expenses within a reasonable period of time - this is satisfied if enough information is submitted to the employer to enable the employer to identify the specific nature of each expense and conclude that the expense was attributable to the employee's business activities.
- The employee must return any excess reimbursement or allowance within a reasonable period of time.

If the employee meets these three rules for accountable plans, the employer should not include any reimbursements in gross income of the employee.

4. **Per Diem Allowance**

If the employee is reimbursed by a per diem allowance under an accountable plan and the per diem allowance is less than or equal to the federal rate, the allowance is not to be included in the employee's gross income. If the per diem allowance is more than the federal rate, the amount in excess is included in gross income of the employee. (See Appendix F for Maximum Federal Per Diem Rates).

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

5. Cell Phones

The value of the business use of an employer-provided cell phone will be considered a working condition benefit, if the cell phone was provided primarily for non-compensatory business reasons, and therefore, excludable from the gross income of the employee. Non-compensatory business reasons include:

- The need to contact the employee at all times for work-related emergencies,
- Requirement that the employee be available to speak with clients at times when they are away from the office,
- The need to speak with clients in another time zone at times outside of the employee's normal workday. If the cell phone is provided as a way to attract new employees, or to increase compensation to employees for example, you cannot exclude the value of the cell phone from gross wages.

If you meet the non-compensatory business reason for providing the cell phone, any personal use of the cell phone will be deemed a De Minimis (minimal) fringe benefit, also excludable from the income of the employee.

VII. IRS MILEAGE RATES

The amounts for the various deductible costs for use of a car will be effective January 1, 2016 and are as follows:

- The standard mileage rate for the cost of operating a car will decrease to 54 cents per mile for all business miles driven. The previous rate was 57.5 cents for 2015.
- The standard mileage rate for the use of a car when giving services to a charitable organization remains at 14 cents per mile. The previous rate was 14 cents for 2015.
- The standard mileage rate for use of your car for medical reasons will decrease to 19 cents per mile. The previous rate was 23 cents for 2015.
- The standard mileage rate to use when computing deductible moving expenses will decrease to 19 cents per mile. The previous rate was 23 cents for 2015.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

VIII. RETIREMENT CONTRIBUTION PLANS UPDATE

New Contribution Rates

The 2015-2016 Teachers' Retirement Systems (TRS) employer contribution rate is 13.26%. The 2016-2017 TRS rate is estimated to be between 11.50% and 12.00% of payroll.

The 2015-2016 regular pension contribution rate for Employees' Retirement Systems (ERS) is 25.0% for Tier 1, 23.0% for Tier 2, 18.7% for Tier 3 and Tier 4, 15.4% for Tier 5, and 10.5% for Tier 6. The 2016-2017 rate for ERS is 21.6% for Tier 1, 19.7% for Tier 2, 15.9% for Tier 3 and 4, 13.1% for Tier 5, and 9.3 for Tier 6.

The Police and Fire Retirement System regular pension contribution rates for 2015-2016 for Tier 1 is 12.5%-25.8%, Tier 2 is 11.0%-25.1%, Tier 3 is 11.0%-24.4%, Tier 5 is 7.2%-20.4% (contributory), and Tier 6 is 2.3% -14.5% (contributory). The 2016-2017 regular pension contribution rate for Tier 1 is 11.9% to 25.0%, Tier 2 is 10.4% to 24.8%, Tier 3 is 10.4% to 23.8%, Tier 5 is 6.8% to 20.2% (contributory), and Tier 6 is 2.9% to 15.1% (contributory). Each percentage in the tier is determined based upon the various retirement plans related to that tier.

IX. GASB UPDATE - HIGHLIGHTS OF NEWLY ISSUED STATEMENTS

GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27

In June 2012, GASB issued Statement No. 68, *Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, which is effective for fiscal years beginning after June 15, 2014. This Statement addresses how state and local governments should account for and report their costs and obligations related to pensions excluding other post-employment benefits (OPEB). The administration of the pension plans such as Employees' Retirement Systems (ERS) and Teachers' Retirement Systems (TRS) will be responsible for obtaining an actuarial valuation and providing the information to the local government for reporting.

On the fund level modified accrual based financial statements, recognition of pension expenditures and liabilities is equal to the amount expected to be liquidated with expendable available financial resources. However, financial statements prepared on an accrual-basis of accounting or the government-wide financial statements, a net pension liability (NPL) will be reported. The net pension liability is the total pension liability (an actuarial present value of projected benefit payments attributed to past periods) net of the pension plan's fiduciary net position.

Statement No. 68 also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions used.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is effective for period beginning after December 15, 2013, but earlier application is encouraged. Government combinations may refer to mergers, acquisitions or transfers of operations. In general, this Statement requires measuring assets and liabilities by carrying value in a merger, but by acquisition value in an acquisition. This Statement also defines the term "operations" for purposes of this Statement's applicability, and requires the use of carrying value to measure the assets and liabilities in a transfer of operations. In addition, this Statement requires disclosures to enable financial statement users to evaluate the nature and financial effects of these transactions.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013, but earlier application is encouraged. This Statement requires a government that extends nonexchange financial guarantee to recognize a liability when it is more likely than not that the government will be required to make a payment on the guarantee. The statement also requires a government that issues an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of its reduction in guaranteed liabilities.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement was issued to address an issue with the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*, and is required to be applied simultaneously with the provisions of Statement No. 68. The Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

GASB Statement No. 72, *Fair Value Measurement and Application*

In February 2015, GASB issued Statement No.72, *Fair Value Measurement and Application*, effective for financial statements for periods beginning on or after June 15, 2015. This Statement provides guidance on fair value measuring including consideration of the unit of account of the asset or liability to be measured, and valuation techniques and approaches. Allowable approaches include the cost approach, market approach, or income approach. The Statement also establishes a hierarchy using Level 1, Level 2, and Level 3 inputs for valuation, and requires certain disclosures regarding the measurement and valuation techniques used.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, to improve the usefulness and provide a single framework for pension information presentation. The term pensions include retirement income and postemployment benefits other than retirement income such as death benefits, life insurance, and disability benefits. It does not include postemployment benefits for healthcare or termination benefits.

The Statement establishes requirements for defined benefit pensions and defined contribution pensions that are provided to the employees of state and local governments that are not within the scope of GASB Statement No. 68. The Statement extends the accounting and reporting treatment provided in GASB Statement No. 68 to all pensions, with adjustments as necessary, to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are not within the scope of Statement No. 68 should not be considered pension plan assets. In addition, the Statement clarifies the application of certain provisions of Statement No. 67 and Statement No. 68.

The effective dates for GASB Statement No. 73 are as follows:

- The requirements of the Statement that address accounting and reporting for pensions that are not within the scope of Statement No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016.
- The requirements addressing financial reporting for assets accumulated to provide the pensions described above, and the requirements of the Statement for pension plans that are within the scope of Statement No. 67 or Statement No. 68 are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans

In June 2015, GASB issued Statement No. 74, *Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans*. This Statement is applicable for defined benefit and defined contribution OPEB plans administered through trusts that meet the following specifications:

- Contributions to the OPEB plan from employers and nonemployer contributing entities and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB benefits in accordance with the benefit terms.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets are also legally protected from creditors of the plan members.

This Statement makes the OPEB plan reporting consistent with the pension plan reporting contained in GASB Statements No. 67 and No. 68 and requires defined benefit plans administered through trusts that meet specific criteria to prepare a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement also requires that specific information be reported as required supplementary information such as a 10 year schedule of changes in the net OPEB liability and a 10 year schedule presenting the annual money-weighted rate of return on OPEB plan investments for single-employer and cost-sharing OPEB plans. It also describes items required to be presented in the notes to the financial statements, as well as specific requirements regarding the measurement of the net OPEB liability.

This Statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*.

This Statement establishes measurement criteria for the OPEB liability and was issued to improve the consistency, comparability and transparency of information reported by employers and governmental nonemployer contributing entities. It requires recognition of the entire OPEB liability and the following:

- One method, the Entry Age actuarial method (instead of projected unit cost, for example) of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods.
- Immediate recognition in OPEB expense, rather than a choice of recognition periods, of the effects of changes in benefit terms.
- Recognition of OPEB expense that incorporates deferred outflows of resources and deferred inflows of resources related to OPEB over a defined, closed period, rather than a choice between an open or closed period.

The Statement also provides for certain note disclosures and required supplementary information such as:

- For single and agent employers, a 10 year schedule as of the measurement date, presented as required supplementary information reporting the following information:

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- sources of changes in the net OPEB liability,
- components of the net OPEB liability,
- related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.
- For notes, descriptive information is required including significant assumptions and inputs used to calculate the OPEB liability, including inflation, healthcare cost trend rate, salary changes, postemployment benefit changes, discount rate, mortality assumptions, the date of the actuary valuation or calculation, information about the changes of assumptions or other inputs and benefit terms, and the basis for determining employer contributions.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for financial statements for periods beginning after June 15, 2015. The purpose of this Statement is to identify the accounting principles used to prepare the financial statements of state and local governments in accordance with generally accepted accounting principles (GAAP) and provide a framework for selecting those principles. It reduces the number of authoritative GAAP sources from four to two. Those sources, in order of authority, are as follows: Category A, which includes officially established accounting principles (Governmental Accounting Standards Board Statements, and Category B, which now includes GASB Technical Bulletins, GASB Implementation Guides, and literature of the AICPA cleared by the GASB. The Statement also identifies nonauthoritative literature. Statement No. 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

GASB Statement No. 77, *Tax Abatement Disclosures*

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This Statement requires increased disclosures surrounding tax abatements, which for financial reporting purposes, is an agreement between a government and an individual or entity, where the government agrees to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development, or otherwise benefits the government or its citizens. The Statement requires that governments that enter into tax abatement agreements disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Other commitments made by a government as part of the agreement.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans

In December 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of state or local government employers through a cost-sharing multiple-employer defined benefit pension plan that:

- is not a state or local governmental pension plan
- is used to provide defined benefit pensions to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and
- has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan).

The Statement establishes the requirements for recognition and measurement of pensions expense, expenditures, and liabilities; note disclosure; and required supplementary information for pensions that have the criteria established above. The effective date of this Statement is for periods beginning after December 15, 2015.

Further detail regarding the GASB Statements can be viewed at <http://gasb.org>

X. NOT-FOR-PROFIT UPDATE

There have been important changes to the New York Not-for-Profit Corporation Law (“NPCL”) and other statutes relevant to nonprofit organizations. The information below summarizes some of the most significant changes that nonprofits should familiarize themselves with.

Presentation of Financial Statements of Not-for-Profit Entities

In April 2015, the Financial Accounting Standards Board (FASB) issued a proposed Accounting Standards Update that would affect substantially all not-for-profit organizations (NFPs) and users of their financial statements. The update would improve existing standards for financial statement presentation by NFPs. Comments on the proposed update were due August 20, 2015.

Some of the highlights of the proposed changes are as follows:

Net Asset Classifications the current three classifications of net assets (unrestricted, temporarily restricted and permanently restricted) would be changed to two classifications (without donor restrictions and with donor restrictions).

Statement of Activities present the amounts of the net asset change in two classes of net assets as opposed to the current presentation of three net assets. The Statement would also present two measures of operating activities (before and after internal transfers) in net assets without donor restrictions. Expenses

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

would be presented by function, nature, or both and with enhanced footnote disclosure if both are not on the face of the statement. In addition, the Statement would present investment return net of investment expenses.

Cash Flows the current indirect method of reporting would be replaced using the direct method. Certain items will be reclassified to improve alignment with the Statement of Activities.

For more information, visit the FASB's website at www.fasb.org.

New York Non-Profit Revitalization Act of 2013 (the "Act")

The New York Non-Profit Revitalization Act of 2013 seeks to modernize the New York Not-For-Profit Corporation Law by enhancing oversight, modernizing governance and reducing bureaucracy and administrative red tape which are confusing and burdensome to nonprofits and often prompt New York based charities to incorporate in another state.

The Act was placed in effect on July 1, 2014 and its key provisions are as follows:

Classifications

- The Act will classify nonprofits as either "charitable" or "non-charitable" and eliminates the current A, B, C and D classifications. The new classifications do not require currently existing Type A, B, C or D nonprofits to make any submissions or filings with a new classification.
- Types B and C entities, as well as Type D entities formed for a charitable purpose, will be automatically designated as "charitable". Type A and all other Type D entities will be considered "non-charitable."
- These changes are aimed at clarifying the law and reducing startup costs and delays and should make it easier for nonprofits to determine the correct classification.

Board Procedures and Meetings

- Under the Act, board and membership meeting notices may be transmitted by fax or email and electronic communication may also be used for waivers of notice, proxy designations by members and to give unanimous written consents.
- The Act also permits board members to participate in meetings by video communication such as Skype unless restricted by the entity's bylaws or certificate of incorporation.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Mandatory Policies for Conflicts of Interest and Whistleblower

Conflicts of Interest Policy:

- The Act mandates that nonprofits adopt a conflict-of-interest policy that requires its directors, officers and key employees to act in the nonprofit's best interest. This requirement applies to all nonprofits incorporated or transacting business in New York. A nonprofit which already has a conflict-of-interest policy in place pursuant to any other law that is substantially similar to the provisions set forth in the Act will be deemed compliant.
- The Act requires that the conflict-of-interest policy must include, at a minimum, certain specific definitions, procedures and prohibitions such as: (1) a definition of what constitutes a conflict of interest; (2) procedures for disclosing a conflict of interest to the audit committee or Board; and (3) procedures for documenting the existence and resolution of the conflict including the minutes of any meeting at which the conflict was discussed or voted upon.

Whistleblower Policy:

- All nonprofits with 20 or more employees and annual revenue in excess of \$1 million in the prior fiscal year must adopt a whistleblower policy aimed at protecting its directors, officers, employees and volunteers who report suspected improper conduct from retaliation.
- In addition to other required minimum provisions, the whistleblower policy must include a requirement that an employee, officer or director be designated to administer the policy and report to the audit committee or the Board.

Related-Party Transactions

- Consistent with current NPCL, nonprofits cannot enter into a transaction with a related party unless the nonprofit's Board determines that the transaction is reasonable, fair and in the best interest of the nonprofit.
- In addition to current disclosure requirements for directors and officers regarding direct and indirect interests in a related-party transaction, the Act now requires good faith disclosures by "key employees."
- With regard to charitable organizations, the Act specifically requires an independent board or committee of the board to consider alternatives to any related-party transactions to the extent available; to approve the transaction as fair and reasonable through a majority vote; and to contemporaneously document the approval and consideration of alternatives.

NEW DEVELOPMENTS, YEAR END UPDATE AND 1040 CONSIDERATIONS JANUARY 2016

Required Financial Reporting and Audit Procedures

- For all organizations subject to registration for charitable solicitation, the Act raises the gross revenue thresholds for submission of unaudited, reviewed or audited financial statements.
- Unaudited (compiled) financial statements will be required when gross revenues/support are less than \$250,000.
- Reviewed financial statements will be required when gross revenues/support are between \$250,000 to \$500,000; the upper limit will increase to \$750,000 on July 1, 2017 and then again to \$1 million on July 1, 2021.
- Audited financial statements will be required when gross revenues/support are in excess of \$500,000; this threshold will be raised to in excess of \$750,000 as of July 1, 2017 and in excess of \$1 million as of July 1, 2021.
- The Act also contains other provisions relating to overseeing the accounting and financial reporting processes and reviewing the scope of the audit with its auditing firm before commencement of the audit.

Miscellaneous Provisions of the Act

- Certain major corporate actions, such as mergers, consolidations, sale of all or substantially all assets, dissolutions and changes to the certificate of incorporation, may now be approved by the Attorney General, in lieu of obtaining a court order.
- The requirements for certain real-property transaction approvals are clarified. Please consult the Act's full text for a complete discussion of these changes.
- The Act expressly prohibits employees, including its CEO, from serving as chair of the board or in an officer position with similar responsibilities effective July 1, 2015. This requirement will help promote clear lines of accountability between management and the board.
- Other Act provisions deal with executive compensation, privacy and definitions of "independent director" and "entire board." Please consult the Act's full text for a complete discussion of these requirements.

Subsequent Clarification on the Act

In the Spring of 2015, the Attorney General has shed some light on the Act. The Not-For-Profit Boards will have discretion regarding the Conflict of Interest Policy and the Whistleblower Policy. The Board will need to define the situations that represent a conflict of interest and the

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

procedures that should be followed. The whistleblower policy should be tailored to an organization's own needs and risks.

Not-for-Profits will be expected to adopt policies that are comprehensive and thorough. The Attorney General suggests that the whistleblower policy should address who reports should be made to, the means of reporting and the investigative steps the Not-For-Profit will take upon receipt of a report.

The Boards should include in their oversight federal and state tax filings, periodic review of internal controls, legal matters and insurance coverage.

The Attorney General will consider documentation of good-faith efforts in evaluating an organization's compliance.

The full text of the Act can be found at:
<http://open.nysenate.gov/legislation/bill/A8072-2013>.

XI. CHANGES TO FEDERAL GRANT REQUIREMENTS

On December 26, 2013 the OMB issued final guidance entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." This document supersedes previously issued circulars from OMB including but not limited to Circulars A-21, A-87, A-89, A-102 A-110, A-122, and A-133 and the guidance in Circular A-50, and is applicable for state, local governments, tribal governments, colleges and universities, and nonprofit organizations. It is not applicable to hospitals or commercial organizations.

Audit Requirements

The audit requirement changes under Subpart F are effective for fiscal years beginning on or after December 26, 2014.

Some key changes relating to the audit requirements included in the final regulation are as follows:

- Single Audit requirement threshold of federal expenditures increased from \$500,000 to \$750,000.
- Minimum threshold for a Type A program increased from \$300,000 to \$750,000.
- Minimum threshold to perform risk assessment on a Type B program changed from \$100,000 to 25% of the Type A threshold.
- The percentage of coverage of federal expenditures required to be audited for a high risk auditee decreased from 50% to 40% and for a low-risk auditee from 25% to 20%.
- The threshold for reporting a questioned cost finding increased from \$10,000 to \$25,000.

NEW DEVELOPMENTS, YEAR END UPDATE AND 1040 CONSIDERATIONS JANUARY 2016

Auditee Changes

Nonfederal entities are required to implement the new administrative requirements and cost principles for all new federal awards and any incremental funding to existing awards made after December 26, 2014.

In general, the new administrative requirements are less restrictive and designed to focus more on internal controls while allowing more individual judgment. Per the regulations, the non-federal entity must establish and maintain effective internal control over federal awards that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with statutes, regulations, and terms of the award. Best practice per the regulations would be to establish internal control that is in compliance with guidance in "Standards for Internal Control in the Federal Government" (Green Book) issued by the Comptroller General of the United States, or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

One area of frequent concern is with regard to compensation for personnel services and the required documentation, which is covered in Subpart E of the regulations (section 200.430). The changes here were made to reduce the administrative effort and burden on the entities, and as such, they are less specific to allow more judgment. The new rules require the following of the records:

- Charges must be based on records that accurately reflect the work performed.
- Be incorporated into the official records of the nonfederal entity.
- These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- Reasonably reflect the total activity for which the employee is compensated by the nonfederal entity.
- Comply with the established accounting policies and practices of the non-federal entity.
- The records must support the distribution of salary or wages among activities or cost objectives if the employee works on more than one federal award, a federal award and a nonfederal award, an indirect activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.
- Budget estimates alone do not qualify as support for charges, but may be used for interim accounting purposes provided certain conditions are met, as described in the regulations.

Federal Audit Clearinghouse

The Federal Audit Clearinghouse's website and Internet Data Entry System (IDES) are used to file Data Collection Forms (SF-SAC) and single audit reporting packages with the federal government. Last year they revised the website as well as the Data Collection Form for fiscal years 2014, and 2015. All users have to register with the new website, using a name and email address. The certifying official for the auditor and auditee will have to log in under their unique ID and password to certify the submission.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Additionally, effective January 2, 2015, all 2014 fiscal year end audits and Form SF-SAC submissions must include a standard audit finding reference number format (e.g.2014-001 through 2014-999) and audit submissions must be unlocked, unencrypted and in a text-searchable PDF format.

The Federal Audit Clearing House website can be found at <https://harvester.census.gov/fac>.

XII. 1040 CONSIDERATIONS

The following is a summary of new tax law changes:

A. Tax Rate Brackets

In 2015 the 39.6% tax bracket now applies to taxable income that exceeds \$413,200 for single taxpayers, \$439,000 for head of household, \$464,850 for married persons filing jointly ("MFJ") and qualifying widows/widower, and \$232,425 for married persons filing separate ("MFS"). All of the other tax brackets have been adjusted for inflation.

Workers with wages and other compensation in excess of \$250,000 for MFJ, \$125,000 for MFS, and \$200,000 for all others are subject to the, additional Medicare Tax of .9%. Employers are obligated to withhold the additional tax beginning in the pay period when wages exceed \$200,000 for the calendar year. The employer is obligated regardless of the filing status or income from other sources. If the taxpayer does not owe the additional withholding for Medicare, they can claim a credit on their 2015 income tax return.

B. Preferential Rates for Capital Gains and Qualified Dividends

Unchanged for 2015, qualified dividends and long-term capital gains can avoid tax totally under the 0% capital gains rate, or be subject to capital gains rates of 15% or 20%. The capital gains rate depends on taxable income, how much of the taxable income consists of qualified dividends and eligible long-term gains, and filing status. The 20% capital gain rate has the same taxable income thresholds as the 39.6% ordinary income tax rate mentioned above. The 0%, 15%, and 20% rates do not apply to long term gains subject to the 28% rate or the 25% rate for unrecaptured real estate depreciation.

C. Net Investment Income Tax

The Net Investment Income Tax ("NIIT") is still applicable for 2015. This affects income tax returns of taxpayers who have net investment income and have modified adjusted gross income ("MAGI") over the following thresholds: MFJ or qualifying widow/widower - \$250,000, MFS - \$125,000, single - \$200,000, and head of household - \$200,000.

If MAGI surmounts the threshold, a 3.8% tax applies to the lesser of the net investment income or the excess of MAGI over the threshold.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

D. Phase-out of Personal Exemptions and Itemized Deductions

Personal exemptions and itemized deductions are subject to a phase-out. Each \$4,000 personal exemption for 2015 is subject to a phase-out if adjusted gross income ("AGI") exceeds \$309,900 if MFJ or qualifying widow/widower, \$284,050 if head of household, \$258,250 if single, and \$154,950 if MFS.

The above AGI phase-out thresholds for exemptions also apply to the phase-out of itemized deductions claimed, but there is no phase-out of deductions for casualty/theft losses, investment interest, medical expenses and gambling losses. Other itemized deductions are reduced by 3% of AGI exceeding the applicable threshold, but the total reduction cannot exceed 80% of the deductions.

E. Patient Protection and Affordable Care Act

Still in effect for the 2015 calendar year, individuals must carry minimum essential health care coverage. Individuals and families are able to acquire coverage through the Patient Protection and Affordable Care Act market place. Individuals with marketplace coverage may be entitled to the §36B premium assistance tax credit when filing their 2015 return. If a taxpayer received an advanced payment of the credit they are required to file a 2015 Form 1040.

The §36B premium assistance tax credit is available for taxpayers who meet the following household income criteria:

- \$11,670 to \$46,680 for one individual;
- \$15,730 to \$62,920 for a family of two; and
- \$23,850 to \$95,400 for a family of four.

Taxpayers should receive one of the following forms which pertain to healthcare coverage and these forms should be utilized when filing your 2015 returns:

- Form 1095-A Health Insurance Marketplace Statement
- Form 1095-B Health Coverage
- Form 1095-C Employer-Provided Health Insurance Offer and Coverage

There are exemptions provided by the IRS which can be claimed on Form 8965 Health Coverage Exemptions. These include:

- Religious Conscience Objections
- Members of federally recognized Native American Tribes
- Members of health care sharing ministries
- Individuals who are incarcerated
- Lack of affordable coverage

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- Household income below filing level
- Certain hardships

F. Same-Sex Marriages

Currently still in effect for 2015, the Supreme Court made a ruling that invalidated the federal definition of marriage in the 1996 Defense of Marriage Act. On June 26, 2015, the Supreme Court ruled that a state is to license a marriage between members of the same sex and that states must recognize same-sex marriages performed in other states. The IRS and all states have now implemented this decision and the marriage is recognized for all federal and state income tax purposes. Couples are treated as married for 2015 filing purposes and generally must file as MFJ or MFS, not single. In addition, same-sex couples who filed separate returns in previous years for state purposes can amend with the filing status of Married Filing Joint.

G. Standard Deductions

The standard deduction for 2015 is \$12,600 for MFJ and surviving spouse, \$9,250 for head of household, or \$6,300 for single or MFS taxpayers. The additional standard deduction for being 65 or older or blind is \$1,550 if single or head of household (\$3,100 if 65 and blind). If MFJ, the additional standard deduction is \$1,250 if one spouse is 65 or older or blind, \$2,500 if both spouses are at least 65 (or one is 65 and blind).

II. Deduction Floor for Medical Expenses

Still in effect for 2015, the floor for deducting medical expenses as an itemized deduction increases to 10% of AGI if you and your spouse are under age 65 at the end of the year. If either you or your spouse is age 65 or older, expenses exceeding 7.5% of AGI may be taken, as under pre-2013 rules.

I. Social Security Wage Base

For 2015, the tax rate on the employee portion of Social Security is 6.2% on wages up to \$118,500; therefore Social Security tax withholdings will not top \$7,347. Medicare tax of 1.45% is withheld from all wages regardless of amount.

Self-employment taxes of 15.3% apply to earnings up to \$118,500 after the earnings are decreased by 7.65%. The 15.3% rate equals 12.4% for Social Security plus 2.9% for Medicare. If net earnings are in excess of \$118,500, the 2.9% Medicare rate applies to the total amount. One half of the self-employment tax may be taken as an above the line deduction. The maximum self employment tax is reached at \$14,694.

Note that if earnings exceed the applicable threshold, net self-employment earnings could be subject to the new .9% additional Medicare Tax *see Tax Rate Brackets*.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

J. IRA and Roth IRA Contribution Phase-out

For 2015, the contribution limit for traditional IRAs and Roth IRAs is \$5,500 or \$6,500 for those ages 50 or older. The contribution deduction for traditional IRAs is phased-out for active plan participants with MAGI between \$61,000 and \$71,000 for a single person or head of household, or between \$98,000 and \$118,000 for MFJ. The phase-out range is \$180,000-\$190,000 for a spouse who is not an active plan participant and who files jointly with a spouse who is an active plan participant.

K. Bonus Depreciation

For 2015, the maximum §179 deduction amount is \$500,000 for qualifying property placed in service in 2015, with some limitations. The limit starts to phase-out on a dollar-for-dollar basis if the total cost of qualifying property is in excess of \$2,000,000. For purposes of applying the \$500,000 limitation, no more than \$250,000 per year can be for qualified real property. Depreciation which is extended through 2019 is mandatory unless you elect out of it and applies to original use property.

L. IRS Mileage Allowance

The IRS standard business mileage rate for 2015 is 57.5 cents a mile. The medical expense and moving expense deduction is 23.0 cents a mile. For charitable volunteers, the mileage rate is 14.0 cents a mile.

M. Alternative Minimum Tax

The 2015 AMT exemptions, which are annually indexed for inflation, are \$83,400 for MFJ and surviving spouse, \$53,600 for single and head of household, \$23,800 for estates and trusts, and \$41,700 for MFS. The 2015 AMT exemptions phase-out are \$158,900 for MFJ and surviving spouse, \$119,200 for single and head of household, \$79,450 for MFS and Estates or Trusts.

N. Eligibility for Saver's Credit

The savers credit helps offset part of the first \$2,000 of workers voluntary contributions to IRAs and 401(k) plans and similar workplace retirement programs. Also known as the retirement savings contribution credit, the saver's credit is available in addition to any other tax savings that apply.

The adjusted gross income brackets for the 10%, 20%, and 50% credits are increased for 2015. Credits are not allowed when AGI reaches \$30,500 for single taxpayers, \$45,750 for head of household and \$61,000 for MFJ and surviving spouse.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

O. Adoption Credit

In 2015 taxpayers will see an increase in the credit and exclusion amounts for the adoption credit. The amount in 2015 will be increased to \$13,400.

P. Deductions Limits for Long-Term Care Premiums

The maximum amount of age-based long-term care premiums that can be included as deductible medical expenses for 2015 (subject to the 7.5% or 10% of AGI floor) is \$380 if you are age 40 or younger at the end of 2015; \$710 for those age 41 through 50; \$1,430 for those age 51 through 60; \$3,800 for those age 61 through 70; and \$4,750 for those over age 70.

Q. Foreign Earned Income and Housing Exclusions

The foreign earned income exclusion for 2015 is \$100,800. In addition, the housing expense limitation to use in calculating your maximum housing exclusion is generally \$30,240. However, the housing expense exclusion is based on locality, so in some cases there will be adjustments to the \$30,240 used to calculate the final housing exclusion.

R. Report of Foreign Bank and Financial Accounts ("FBAR")

After June 30, 2013, FBARs must be electronically filed to the Treasury Department. Taxpayers who have a financial interest in or signature authority over at least one foreign account and the aggregate value of the accounts exceeds \$10,000 must file a FBAR. They are not filed with your income tax return. They are due by June 30th of the following year in which you had the foreign financial interest.

The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 provides, for tax years beginning after December 31, 2015, the FBARs be filed on or before April 15th with the capabilities of receiving a six-month extension to October 15th.

S. First-Time Homebuyer's Credit

The first time homebuyer's credit, for homes purchased after April 8, 2008 and before January 1, 2009 has to be recaptured over a 15 year period. The 15 year period began in 2010. For home purchases in 2009, 2010 and 2011 there is no 15 year repayment requirement. In addition, any taxpayer who received the first time homebuyer's credit in 2012 and sold their house in 2015 must repay the entire credit in 2015. If your home was purchased in 2009 or later, and your home stops being your main home within 36 months from your date of purchase, you may need to repay all or part of the credit.

T. Annual Exclusion for Gifts

With regards to gift taxes, the per-donee exclusion for gifts of present interest is \$14,000, for 2015.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

U. Gift Tax and Estate Tax Exemption

For 2015 gift tax and estate tax purposes, the basic exemption amount is \$5,430,000 for federal taxes. The top rate has increased to 40%.

TAX BREAKS EXTENDED FOR 2015

Numerous tax breaks expiring on December 31, 2015, have been extended on December 18, 2015 under the Protecting Americans from Tax Hikes (PATH) Act. Some of the extenders were made a permanent part of the Code while other provisions were extended for multiple years. PATH made the following permanent:

- The \$250 eligible educator deduction.
- The ability to distribute to a charity directly from an IRA for an individual over the age of 70 ½ without including the distribution in income or deducting the amount as a charitable contribution.
- The deduction of state and local sales tax in lieu of deducting state and local income tax.
- The American Opportunity Tax Credit.
- The ability to amortize qualified leasehold improvement property, qualified restaurant improvement property, and qualified retail improvement over a 15 year term.
- The built-in gains tax period for S Corporations for a period of 5 years.
- The \$3,000 Child Tax Credit.
- Section 179 Election to Expense-\$500,000 maximum and \$2,000,000 ceiling.

PATH extended the following provisions:

- Bonus depreciation is extended through 2019 with a reduction from the 50% bonus to 40% in 2017 and 2018 and a further reduction in 2019 to 30%.
- The \$2,000,000 exclusion of discharge of indebtedness on a qualified residence is extended through 2016.
- The ability to treat certain mortgage insurance premiums as the additional acquisition interest expense is extended through 2016.
- The above the line qualified tuition deduction.
- The Work Opportunity Tax Credit is extended through 2019.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

NEW YORK STATE CONSIDERATIONS

Property Tax Freeze Credit

The property tax freeze credit is a tax relief program that reimburses qualifying New York State homeowners for the increases in local property taxes on their primary residences. For 2015, the credit will apply to increases in school and municipal taxes. Eligibility for the program is as follows:

- Receive the STAR property tax exemption
 - The property must be the homeowner's primary residence.
 - The total household income must be \$500,000 or less.
- Your home must be located in a taxing jurisdiction that has complied with the New York State Property Tax Cap.

Family Tax Relief Credit

For 2015 and 2016, eligible taxpayers must file Form IT-144 with their State return to claim the credit. You are entitled to this refundable credit if you:

- Were a full year New York State resident.
- Had at least one dependent child younger than 17.
- Had New York State adjusted gross income between \$40,000 and \$300,000.
- Had a New York State tax liability after credits greater than zero.

PREPARING FOR 2016

The IRS has released some updates for the 2016 tax year regarding tax rates, exemptions, and standard deductions.

Tax Rate Brackets

The tax bracket of 39.6% in 2016 will apply if taxable income exceeds \$415,050 for single taxpayers, \$441,000 for head of household, \$466,950 for married persons filing jointly ("MFJ") and qualifying widows-widower, and \$233,475 for married persons filing separate ("MFS"). All of the tax brackets have been adjusted for inflation.

Standard Deductions

The standard deduction for 2016 is \$12,600 for MFJ and surviving spouse, \$9,300 for head of household, or \$6,300 for single or MFS taxpayers. The additional standard deduction for being 65 or older or blind is \$1,550 if single or head of household (\$3,100 if 65 and blind). If

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

MFJ, the standard deduction is \$1,250 if one spouse is 65 or older or blind, \$2,500 if both spouses are at least 65 (or one is 65 and blind).

Personal and Dependency Exemptions

Personal exemptions and dependency exemptions are increasing to \$4,050 in 2016. Exemptions and itemized deductions are subject to a phase-out. Each \$4,050 personal exemption for 2016 is subject to a phase-out if adjusted gross income ("AGI") exceeds \$311,300 if MFJ and surviving spouse, \$285,350 if head of household, \$259,400 if single, and \$155,650 if MFS.

The above AGI phase-out thresholds for exemptions also apply to the phase-out of itemized deductions claimed, but there is no phase-out of deductions for casualty/theft losses, investment interest, medical expenses and gambling losses. Other itemized deductions are reduced by 3% of AGI exceeding the applicable threshold, but the total reduction cannot exceed 80% of the deductions.

Alternative Minimum Tax

Starting in 2016, the AMT exemptions, exemption phase-out thresholds, and the dividing line between the 26% and 28% AMT brackets are adjusted for inflation. The 2016 AMT exemptions are \$83,800 for MFJ and surviving spouse, \$53,900 for single and head of household, \$23,900 for estates and trusts, and \$41,900 for MFS. The 2016 AMT exemptions phase-out is \$159,700 for MFJ and surviving spouse, \$119,700 for single and head of household, \$79,850 for MFS, Estates, and Trusts.

Gift Tax and Estate Tax Exemption

For 2016 gift tax and estate tax purposes, the basic exemption amount is \$5,450,000. The top rate remains at 40%.

Annual Exclusion for Gifts

With regards to gift taxes, the per donee exclusion for gifts of present interest remains at \$14,000 for 2016.

Adoption Credit

In 2016 taxpayers will see an increase in the credit and exclusion amounts for the adoption credit. The amount in 2016 will be increased to \$13,460.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

XIII. HEALTH CARE REFORM CHANGES EFFECTIVE FOR 2015

The Patient Protection and Affordable Care Act is designed to ensure that all Americans have access to quality affordable health care, and is intended to create transformation within the health care system necessary to contain costs in the future. Under the law, a new "Patient's Bill of Rights" will give American's the ability to make informed choices.

A new provision for 2015 will value payments based on quality of care. The higher the value of care the higher the payment the physician will receive.

Set to begin in 2018 but now delayed until 2020, the Affordable Care Act is to impose a 40% nondeductible excise tax called the "Cadillac Tax" on the value of applicable employer-sponsored health coverage above certain set thresholds for single and family coverage.

Below is a summary of considerations with regards to the Affordable Care Act.

A. Individuals and Families

1. Open Enrollment for the Health Insurance Marketplace began in 2013. The enrollment period for 2016 is from November 1, 2015 through January 31, 2016. Eligible individuals and families can enroll or gather information at www.HealthCare.gov.
2. Remaining for 2015 is the floor for deducting medical expenses as an itemized deduction increases to 10% of AGI if you and your spouse are under age 65 at the end of the year. If either you or your spouse is age 65 or older, expenses exceeding 7.5% of AGI may be taken, as under pre-2013 rules.
3. In 2015 there will be a tax credit for the insurance premiums obtained through the Health Insurance Marketplace. This tax credit was designed to make health insurance more affordable. There will be income limitations on qualifying for the credit. The credit can be claimed in advance or with your filed tax return. If an advanced payment is received you are required to file Form 1040 in order to reconcile the advanced payment with the credit that you are actually entitled to.
4. Starting in 2014 and continuing to 2016, you and your family must have minimum essential health care coverage or have an exemption for coverage. If one does not have either, a payment will be required to be made with your tax return.
5. The IRS has issued the following new forms that taxpayers need to keep for their records or file with their tax returns:
 - a. Form 1095-A Health Insurance Marketplace Statement: Marketplaces must provide this form to all enrollees by January 31st following the year of coverage.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

- b. Form 1095-B - Health Coverage: Insurers and self-funded plans must provide this form to each enrollee. This must be provided to enrollees by March 31, 2016 for December 31, 2015 year end.
- c. Form 1095-C Employer-Provided Health Insurance Offer and Coverage: Applicable large employees must provide this form to each enrollee. This must be provided to enrollees by March 31, 2016 for December 31, 2015 year end.
- d. Form 8962 - Premium Tax Credit
- e. Form 8965 - Health Coverage Exemptions

If an individual does not receive a Form 1095-B or Form 1095-C by the time they file their 2015 Tax Return they have until May 31, 2016 for paper-filers and June 30, 2016 for electronic filers to file Form 1094-B, Form 1095-B, Form 1094-C and Form 1095-C with the IRS.

6. Health Savings Account ("HSA")

- a. The annual contribution limit for HSA plans for 2015 is \$3,350 for individuals and \$6,650 for an individual with family coverage. These contributions are not subject to tax. For 2016 the family coverage increases to \$6,750.
- b. HSA holders 55 and older can save an additional \$1,000 bringing the single amount to \$4,350 and \$7,650 for a family in 2015.
- c. High deductible health plans allow for an annual deductible that is no less than \$1,300 for self-only coverage or \$2,600 for family coverage for 2015 and 2016. Annual out of pocket costs cannot exceed \$6,450 for self-only coverage or \$12,900 for family coverage. These amounts are increasing to \$6,550 and \$13,100, respectively for 2016.

7. Flexible Spending Arrangement ("FSA")

- a. The annual contribution limit for an FSA remains at \$2,550 for 2016. Any contribution to the health FSA plan by an employer is in addition to the amount elected by the employee.
- b. If there is a balance in your FSA plan at the end of the year your plan may have one of the following feature:

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

1. Grace period extension - FSA plans are permitted to allow for a maximum grace period of 2 months and 15 days following the end of the plan year for unused contributions to be used against expenses incurred in the subsequent plan year.
 2. Carryover - FSA plans can allow participants to roll forward up to \$500 of amounts not utilized to the subsequent year. This rollover will not affect the \$2,550 annual contribution limit described above.
- c. Please note that the Plan can have only one of the features above and not both. The Plan is not required to offer either one.

B. Employers

1. Continuing in 2015, small employers with 50 or fewer full-time equivalent employees are eligible to purchase affordable insurance through the Small Business Health Options Program ("SHOP").
2. Employers are now required to report the value of coverage under an employer-sponsored group health plan on box 12 of the W-2 with a code of "DD". Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirements. The Internal Revenue Service has stated that any expansion of the reporting rules or ending of the transitional relief which continues for the 2015 tax year will only apply for calendar years that start at least six months after the new rules are issued. See <http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage> for more information.
3. Small business owners could be eligible for the Small Business Health Care Tax Credit if they purchased coverage through SHOP and pay premiums on behalf of employees enrolled in a qualified health plan and you have less than 25 full-time equivalent employees with average wages of \$50,000 or less. However, the credit is only available for 2014 and 2015.
4. Employers that self-insure may be required to pay a fee to fund the Patient Centered Outcomes Research Fund, see <http://www.irs.gov/uac/Patient-Centered-Outcomes-Research-Trust-Fund-Fee:-Questions-and-Answers> for more information.
5. Effective 2015, employers that provide health coverage to employees must file an annual return reporting certain information for each employee covered.
6. Employers with 50 or more full time employees (including full-time equivalents) could be subject to a penalty fee if adequate affordable coverage is not offered to full time employees and one or more of these employees get a premium tax credit.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

7. To avoid paying fees in 2016 and after, among other requirements, employers will be required to offer coverage to 95% of their full-time employees and dependent children and no full-time employees receives a premium tax credit to help pay for coverage.

For more information, visit <https://www.healthcare.gov>.

Feel free to contact our Suffolk County office at (631) 234-4444 or you can e-mail us at mvanduyne@rsabrams.com if you have any questions. You can also visit our website at www.rsabrams.com for updated information and to obtain additional copies of our annual New Developments, Year End Update and 1040 Considerations. We suggest you share this update with your Board.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

**EMPLOYER'S WORKSHEET TO CALCULATE EMPLOYEE'S
TAXABLE INCOME FOR EMPLOYER-PROVIDED
VEHICLE FOR CALENDAR YEAR 2016**

EMPLOYEE: _____

DESCRIPTION OF VEHICLE: _____

DATE VEHICLE FIRST MADE AVAILABLE TO ANY EMPLOYEE: _____

DATE VEHICLE FIRST MADE AVAILABLE TO THIS EMPLOYEE: _____

Method - Annual Lease Value Method

Fair market value of vehicle (to be redetermined
at the beginning of the fifth year and every
four years thereafter) \$ _____

Annual lease value, per attached chart _____

If a partial year:
Enter number of days during the year that the
vehicle was available x _____

/ 365

Prorated annual lease value = _____

Personal use % (personal total miles, per statement
from employee and substantiated) x _____ %

Personal annual lease value _____

If fuel is provided by employer, enter personal miles
_____ x 0.055 + _____

Personal use taxable income \$ _____

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

ANNUAL LEASE VALUE TABLE

Automobile Fair Market Value	Annual Lease Value	Automobile Fair Market Value	Annual Lease Value
\$ 0 - 999	600	\$ 22,000 - 22,999	6,100
1,000 - 1,999	850	23,000 - 23,999	6,350
2,000 - 2,999	1,100	24,000 - 24,999	6,600
3,000 - 3,999	1,350	25,000 - 25,999	6,850
4,000 - 4,999	1,600	26,000 - 27,999	7,250
5,000 - 5,999	1,850	28,000 - 29,999	7,750
6,000 - 6,999	2,100	30,000 - 31,999	8,250
7,000 - 7,999	2,350	32,000 - 33,999	8,750
8,000 - 8,999	2,600	34,000 - 35,999	9,250
9,000 - 9,999	2,850	36,000 - 37,999	9,750
10,000 - 10,999	3,100	38,000 - 39,999	10,250
11,000 - 11,999	3,350	40,000 - 41,999	10,750
12,000 - 12,999	3,600	42,000 - 43,999	11,250
13,000 - 13,999	3,850	44,000 - 45,999	11,750
14,000 - 14,999	4,100	46,000 - 47,999	12,250
15,000 - 15,999	4,350	48,000 - 49,999	12,750
16,000 - 16,999	4,600	50,000 - 51,999	13,250
17,000 - 17,999	4,850	52,000 - 53,999	13,750
18,000 - 18,999	5,100	54,000 - 55,999	14,250
19,000 - 19,999	5,350	56,000 - 57,999	14,750
20,000 - 20,999	5,600	58,000 - 59,999	15,250
21,000 - 21,999	5,850	-	

For vehicles having a fair market value in excess of \$59,999, the Annual Lease Value is equal to: $(.25 \times \text{automobile fair market value}) + \500 .

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

**403(B) SALARY REDUCTION CONTRIBUTION ELIGIBILITY
NOTIFICATION**

I have been notified that I am eligible to participate in the Tax Exempt Employer 403(b) Salary Reduction Program. I have received a copy of the Summary Plan Description and Salary Reduction Agreement. Should I choose to participate I will complete a Salary Reduction Agreement form and return it to _____.

Name: _____

Date of Hire: _____

Signature: _____

Date: _____

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Worksheet 1. **Maximum Amount Contributable (MAC)**
Note. Use this worksheet to figure your MAC

Part I. Limit on Annual Additions		
1	Enter your includible compensation for your most recent year of service	1
2	Maximum · For 2015 and 2016, enter \$53,000	2
3	Enter the lesser of line 1 or line 2. This is your limit on annual additions Caution: If you had only nonelective contributions, skip Part II and enter the amount from line 3 on line 18.	3
Part II. Limit on Elective Deferrals		
4	Maximum contribution · For 2015 and 2016, enter \$18,000 Note. If you have at least 15 years of service with a qualifying organization, complete lines 5 through 17. If not, enter zero (-0-) on line 16 and go to line 17.	4
5	Amount per year of service	5
6	Enter your years of service	6
7	Multiply line 5 by line 6	7
8	Enter the total of all elective deferrals for prior years made for you by qualifying organizations	8
9	Subtract line 8 from line 7. If zero or less, enter zero (-0-)	9
10	Maximum increase in limit for long service	10
11	Enter the total of additional pre-tax elective deferrals made in prior years under 15 year rule	11
12	Enter the aggregate amount of all designated Roth contributions for prior years under the 15 year rule	12
13	Add line 11 and line 12	13
14	Subtract line 13 from line 10	14
15	Maximum additional contributions	15
16	Enter the least of lines 9, 14, or 15. This is your increase in the limit for long service	16
17	Add lines 4 and 16. This is your limit on elective deferrals	17
Part III. Maximum Amount Contributable		
18	· If you had only nonelective contributions, enter the amount from line 3. This is your MAC · If you had only elective deferrals, enter the lesser of lines 3 or 17. This is your MAC. · If you had both elective deferrals and nonelective contributions, enter the amount from line 3. This is your MAC. (Use the amount on line 17 to determine if you have excess elective deferrals as explained in chapter 7 of IRS Publication 571.)	18

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Worksheet A. Cost of Incidental Life Insurance

Note. Use this worksheet to figure the cost of incidental life insurance included in your annuity contract. This amount will be used to figure includible compensation for your most recent year of service.

1	Enter the value of the contract (amount payable upon your death)	1	
2	Enter the cash value in the contract at the end of the year	2	
3	Subtract line 2 from line 1. This is the value of your current life insurance protection	3	
4	Enter your age on your birthday nearest the beginning of the policy year	4	
5	Enter the 1-year term premium for \$1,000 of life insurance based on your age (From Appendix D-1)	5	
6	Divide line 3 by \$1,000	6	
7	Multiply line 6 by line 5. This is the cost of your incidental life insurance	7	

Worksheet B. Includible Compensation for Your Most Recent Year of Service,

Note. Use this worksheet to figure includible compensation for your most recent year of service.

1	Enter your includible wages from the employer maintaining your 403(b) account for your most recent year of service	1	
2	Enter elective deferrals excluded from your gross income for your most recent year of service ²	2	
3	Enter amounts contributed or deferred by your employer under a cafeteria plan for your most recent year of service	3	
4	Enter amounts contributed or deferred by your employer to your 457 account (a nonqualified plan of a state or local government or of a tax-exempt organization) for your most recent year of service	4	
5	Enter pre-tax contributions (employer's contributions made on your behalf according to an election) to a qualified transportation fringe benefit plan you received for your most recent year of service	5	
6	Enter your foreign earned income exclusion for your most recent year of service	6	
7	Add lines 1, 2, 3, 4, 5, and 6	7	
8	Enter the cost of incidental life insurance that is part of your annuity contract for your most recent year of service	8	
9	Enter compensation that was both: • Earned during your most recent year of service, and • Earned while your employer was not qualified to maintain a 403(b) plan	9	
10	Add lines 8 and 9	10	
11	Subtract line 10 from line 7. This is your includible compensation for your most recent year of service	11	

1 The estimated amounts if figuring includible compensation before the end of the year
2 Elective deferrals made to a designated Roth account are not excluded from your gross income and should not be included on this line

Worksheet C. Limit on Catch-Up Contributions

Note. If you will be age 50 or older by the end of the year, use this worksheet to figure your limit on catch-up contributions.

1	Maximum catch-up contributions	1	\$6,000
2	Enter your includible compensation for your most recent year of service	2	
3	Enter your elective deferrals	3	
4	Subtract line 3 from line 2	4	
5	Enter the lesser of line 1 or line 4. This is your limit on catch-up contributions	5	

**UNIFORM ONE-YEAR TERM PREMIUMS FOR \$1,000
LIFE INSURANCE PROTECTION**

AGE	COST	AGE	COST
15	0.38	57	5.20
16	0.52	58	5.66
17	0.57	59	6.06
18	0.59	60	6.51
19	0.61	61	7.11
20	0.62	62	7.96
21	0.62	63	9.08
22	0.64	64	10.41
23	0.66	65	11.90
24	0.68	66	13.51
25	0.71	67	15.20
26	0.73	68	16.92
27	0.76	69	18.70
28	0.80	70	20.62
29	0.83	71	22.72
30	0.87	72	25.07
31	0.90	73	27.57
32	0.93	74	30.18
33	0.96	75	33.05
34	0.98	76	36.33
35	0.99	77	40.17
36	1.01	78	44.33
37	1.04	79	49.23
38	1.06	80	54.56
39	1.07	81	60.51
40	1.10	82	66.74
41	1.13	83	73.07
42	1.20	84	80.35
43	1.29	85	88.76
44	1.40	86	99.16
45	1.53	87	110.40
46	1.67	88	121.85
47	1.83	89	133.40
48	1.98	90	144.30
49	2.13	91	155.80
50	2.30	92	168.75
51	2.52	93	186.44
52	2.81	94	206.70
53	3.20	95	228.35
54	3.65	96	250.01
55	4.15	97	265.09
56	4.68	98	270.11

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

LIST OF 20 COMMON LAW FACTORS USED TO CLASSIFY WORKERS

The following list of common law factors with citations, adapted from Rev. Rul. 87-41, shows how the IRS views the 20 common law factors. The IRS has released worker classification training material that explains how agents should apply the common law control test. While these materials are useful in anticipating what IRS agents will look for in future employment tax audits, they are not to be used or cited as authority for settling or sustaining a technical position. Therefore, the IRS's common law guidelines as summarized in Rev. Rul. 87-41 (and set forth below) still control worker classification.

1. **Instructions.** A worker who is required to comply with other persons' instructions about when, where, and how he or she is to work is ordinarily an employee. This control factor is present if the person or persons for whom the services are performed have the right to require compliance with instructions. See for example, Rev. Rul. 66-598, 1968-2 C.B. 464.
2. **Training.** Training a worker by requiring an experienced employee to work with the worker, by corresponding with the worker, by requiring the worker to attend meetings, or by using other methods, indicates that the person or persons for whom the services are performed want the services performed in a particular manner. See Rev. Rul. 70-630, 1970-2 C.B. 229.
3. **Integration.** Integration of the worker's services into the business operations generally shows that the worker is subject to direction and control (i.e., when the success or continuation of a business depends to an appreciable degree upon the performance of the worker's services). See *United States v. Silk*, 331 U.S. 704 (1947).
4. **Services Rendered Personally.** If the services must be rendered personally, presumably the person for whom the services are performed is interested in the methods used to accomplish the work. See Rev. Rul. 55-695, 1955-2 C.B. 410.
5. **Hiring, Supervising, and Paying Assistants.** If the person or persons for whom the services are performed hire, supervise, and pay assistants, that factor generally shows control over the workers on the job. Compare Rev. Rul. 63-115, 1963-1 C.B. 178, with Rev. Rul. 55-593, 1955-2 C.B. 610.
6. **Continuing Relationship.** A continuing relationship between the worker and the person or persons for whom the services are performed indicates an employer-employee relationship exists. See *United States v. Silk*.
7. **Set Hours of Work.** The establishment of set hours of work by the person or persons for whom the services are performed indicates control. See Rev. Rul. 73-591, 1973-2 C.B. 337.
8. **Full Time Required.** If the worker must devote substantially full time to the business of the person or persons for whom the services are performed, such person or persons have control over the amount of time the worker spends working and by implication restrict the worker from doing other gainful work. See Rev. Rul. 56-694, 1956-2 C.B. 694.
9. **Doing Work on Employer's Premises.** If the work is performed on the premises of the person or persons for whom the services are performed, that factor suggests control over the worker. Rev. Rul. 56-660, 1956-2 C.B. 693. Control over the place of work is indicated when the one for whom the services are performed can compel the worker to travel a designated route, to canvass a territory within a certain time, or to work at specific places as required. See Rev. Rul. 56-694.
10. **Order or Sequence Set.** If a worker must perform services in the order or sequence set by the person or persons for whom the services are performed, that factor shows that the worker is not free to follow the worker's own patterns of work. See Rev. Rul. 56-694.
11. **Oral or Written Reports.** A requirement that the worker submit regular reports to the person for whom the services are performed indicates a degree of control. See Rev. Rul. 70-309, 1970-1 C.B. 199, and Rev. Rul. 68-248, 1968-1 C.B. 431.
12. **Payment by Hour, Week, Month.** Payment by the hour, week, or month generally points to an employer-employee relationship, provided that this method of payment is not just a convenient way of paying a lump sum agreed upon as the cost of a job. Payment made by the job or on a straight commission generally indicates the worker is an independent contractor. See Rev. Rul. 74-389, 1974-2 C.B. 330.
13. **Payment of Business and/or Traveling Expenses.** If the person or persons for whom the services are performed ordinarily pays the worker's business and/or traveling expenses, the worker is ordinarily an employee. See Rev. Rul. 55-144, 1955-1 C.B. 483.
14. **Furnishing of Tools and Materials.** That the person or persons for whom the services are performed furnish significant tools, materials, and other equipment tends to show the existence of an employer-employee relationship. See Rev. Rul. 71-524, 1971-2 C.B. 346.
15. **Significant Investment.** If the worker invests in facilities that are used by the worker in performing services and are not typically maintained by employees, that factor tends to indicate the worker is an independent contractor. On the other hand, lack of investment in facilities indicates dependence on the person or persons for whom the services are performed, and thus the existence of an employer-employee relationship. See Rev. Rul. 71-524.
16. **Realization of Profit or Loss.** A worker who can realize a profit or suffer a loss is generally an independent contractor, but the worker who cannot is an employee. See Rev. Rul. 70-309. The risk that a worker will not receive payment for his or her services, however, is common to both independent contractors and employees.
17. **Working for More Than One Firm at a Time.** The fact a worker performs more than de minimis services for unrelated persons or firms at the same time generally indicate the worker is an independent contractor. See Rev. Rul. 70-572, 1970-2 C.B. 221. However, a worker who performs services for more than one person may be an employee of each.
18. **Making Services Available to General Public.** The fact a worker makes his or her services available to the general public on a regular and consistent basis indicates an independent contractor relationship. See Rev. Rul. 56-660.
19. **Right to Discharge.** The right to discharge a worker is a factor indicating that the worker is an employee and the person possessing the right is an employer. An independent contractor cannot be fired as long as he or she meets the contract specifications. Rev. Rul. 75-41, 1975-1 C.B. 323.
20. **Right to Terminate.** A worker's right to end his or her relationship with the person for whom the services are performed at any time without incurring liability indicates an employer-employee relationship. See Rev. Rul. 70-3.

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Maximum Federal Per Diem Rates (Effective October 1, 2015 – September 30, 2016)

Per Diem Locality			Computing Maximum Rate			
State	Key City	County and /or Other Defined Location	Effective Dates	Maximum Lodging Rate	M&IE Rate	Maximum Per Diem Rate
NY	Albany	Albany	All Year	\$115	\$59	\$174
	Binghamton, Oswego	Broome, Tioga	All Year	\$99	\$59	\$158
	Buffalo	Erie	All Year	\$112	\$64	\$176
	Floral Park, Garden City, Great Neck	Nassau	All Year	\$150	\$69	\$219
	Glens Falls	Warren	10/1-6/30	\$99	\$64	\$163
			7/1-8/31	\$160	\$64	\$224
			9/1-9/30	\$99	\$64	\$163
	Ithaca, Waterloo, Romulus	Tompkins, Seneca	All Year	\$121	\$59	\$180
	Kingston	Ulster	All Year	\$115	\$69	\$184
	Lake Placid	Essex	10/1-11/30	\$115	\$74	\$189
			12/1-2/29	\$140	\$74	\$214
			3/1-6/30	\$107	\$74	\$181
			7/1 – 8/31	\$172	\$74	\$246
			9/1 – 9/30	\$115	\$74	\$189
	Manhattan (includes the boroughs of Manhattan, Brooklyn, the Bronx, Queens, and Staten Island)	Bronx, Kings, New York, Queens, Richmond	10/1 – 12/31	\$306	\$74	\$380
			1/1 – 2/29	\$181	\$74	\$255
			3/1 – 6/30	\$270	\$74	\$344
			7/1 – 8/31	\$242	\$74	\$316
			9/1- 9/30	\$306	\$74	\$380
	Niagara Falls	Niagara	10/1 – 6/30	\$89	\$59	\$148
			7/1 – 8/30	\$114	\$59	\$173
			9/1- 9/30	\$89	\$59	\$148

[Type text]

**NEW DEVELOPMENTS, YEAR END UPDATE
AND 1040 CONSIDERATIONS
JANUARY 2016**

Maximum Federal Per Diem Rates (Effective October 1, 2015 – September 30, 2016)

State	Per Diem Locality		Computing Maximum Rate			
	Key City	County and /or Other Defined Location	Effective Dates	Maximum Lodging Rate	M&IE Rate	Maximum Per Diem Rate
NY	Nyack, Palisades	Rockland	All Year	\$112	\$64	\$176
	Poughkeepsie	Dutchess	All Year	\$104	\$64	\$168
	Riverhead, Ronkonkoma, Melville	Suffolk	All Year	\$126	\$64	\$190
	Rochester	Monroe	All Year	\$101	\$59	\$160
	Saratoga Springs, Schenectady	Saratoga, Schenectady	10/1 - 6/30	\$120	\$64	\$184
			7/1 - 8/31	\$186	\$64	\$250
			9/1 - 9/30	\$120	\$64	\$184
	Syracuse, Oswego	Onondaga, Oswego	All Year	\$100	\$59	\$159
	Tarrytown, White Plains, New Rochelle	Westchester	All Year	\$151	\$64	\$215
	Troy	Rensselaer	All Year	\$107	\$64	\$171
	Watertown	Jefferson	All Year	\$94	\$54	\$148
	West Point	Orange	All Year	\$106	\$59	\$165
	Standard Rate	Applies for all locations without specified rates	All Year	\$89	\$51	\$140

Localities Eligible for \$275 (\$68 M&IE) Per Diem Amount under the High-Low Substantiation Method (Effective October 1, 2015)

State	Per Diem Locality		Effective Date of \$275 Rate
	Key City	County and/or Other Defined Location	
NY	Floral Park, Garden City, Great Neck	Nassau	All year
	Lake Placid	Essex	7/1 - 8/31
	Manhattan (includes the boroughs of Manhattan, Brooklyn, the Bronx, Queens, and Staten Island)	Bronx, Kings, New York, Queens, Richmond	All year
	Saratoga Springs, Schenectady	Saratoga, Schenectady	7/1 - 8/31



www.rsabrams.com
Islandia · White Plains

Top Ten Internal Control Deficiencies Cited in the New York State Comptroller's Reports

10. Revenue/Cash Management

- ◆ Cash Receipts:
 - The Board has not adopted written policies and procedures over departmental cash receipts.
- ◆ Revenue Reimbursement:
 - The District did not ensure all billings were being billed for various reimbursements due to the District.
- ◆ On-line Banking:
 - District officials had unnecessary online banking access for all of its bank accounts.
 - District officials did not secure user names, passwords and token devices that were utilized for online banking.
 - The District did not have written bank agreements.
 - The District did not establish alerts and other security measures with their banking institutions.
- ◆ Treasurer:
 - The Treasurer did not prepare and present monthly reports to the Board and prepare bank reconciliations in a timely manner.
 - The Treasurer does not oversee the use of her signature on checks or compare checks to the warrant prior to issuance.

9. Transportation

- ◆ The District did not establish policies and procedures over fuel inventories.
- ◆ The District paid federal, state and local taxes on fuel purchases.
- ◆ The District did not maintain complete and adequate fuel inventory records.
- ◆ The District did not review fuel transaction activity on a monthly basis to identify unusual transactions.
- ◆ The Director of Facilities and Operations did not ensure the gates surrounding the unleaded gasoline fuel tank were secure each night.
- ◆ The District was not reimbursed for all fuel used for non-District purposes by the transportation contractor.
- ◆ The District did not maintain total control over the fuel process.

8. School Lunch Operations

- ◆ Meals cost more to prepare than the sales revenue generated.
- ◆ The Districts productivity level for meals per labor hour is below industry averages.



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

www.rsabrams.com

Islandia · White Plains

Top Ten Internal Control Deficiencies Cited in the New York State
Comptroller's Reports

7. Information Technology

- ◆ The Board did not establish an acceptable use policy, a computer security plan, a disaster recovery plan, policies and procedures for the disposal of computer equipment or a policy for security awareness training.
- ◆ The Board has not adopted a policy for the use of and access to personal, private and sensitive information.
- ◆ User access within the network and financial software was not limited based on job duties.
- ◆ Terminated employees were not deactivated in the computer system.
- ◆ Audit logs were not maintained and reviewed by someone independent of the business office.
- ◆ The District's information technology inventory was incomplete and inaccurate and an inventory of software licenses was not maintained.
- ◆ The District did not adequately secure all of its information technology hardware.
- ◆ The District did not have written procedures for adding, deleting or modifying individual access to the financial system.
- ◆ Systems administration was not independent of business office operations.
- ◆ The District did not establish comprehensive policies and procedures for mobile devices.
- ◆ The District did not implement safeguards over mobile devices including passwords and limiting administrative access, including the download and installation of programs and applications to only information technology staff.

6. Payroll/Personnel

- ◆ The District did not have written contract agreements with supervisory employees outlining salaries and benefits.
- ◆ Access rights to the payroll and human resources module were not limited.
- ◆ District officials did not ensure that all required employees completed and submitted timesheets.
- ◆ District officials did not review the direct deposit upload document or compare to the certified payroll.
- ◆ Superintendent certified payroll after the release of the payroll transfer.



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

www.rsabrams.com

Islandia · White Plains

Top Ten Internal Control Deficiencies Cited in the New York State
Comptroller's Reports

5. Leave Accruals

- ◆ The District did not establish policies and procedures for leave accrual balances.
- ◆ Leave time records were not maintained for all employees and there was no independent review of leave time records.
- ◆ Employees' leave accrual balances carried over were performed manually.
- ◆ There was no supervisory review to ensure that leave time earned and used was accurate and in accordance with collective bargaining agreements and employment contracts.

4. Purchasing/Accounts Payable

- ◆ The Board did not adopt policies and procedures for cash disbursements and claims processing.
- ◆ Purchases did not always comply with General Municipal Law.
- ◆ There were no written agreements with professional service providers.
- ◆ The District did not properly seek competition for professional service providers.
- ◆ The regulations of the procurement policy did not provide adequate guidance for seeking competition when procuring professional services.
- ◆ Purchase orders were not always utilized.

3. Claims Audits

- ◆ The claims auditor did not properly review claims to ensure that they were accurate, properly supported and for valid District purposes.
- ◆ The claims auditor did not properly review the cell phone claims for proper and accurate charges.
- ◆ The claims auditor did not report to the Board or prepare written reports for the Board showing the results of claims audits.

2. Budget Review

- ◆ Significant revenue and expenditure projections in the proposed budget were not reasonable.
- ◆ District officials consistently overestimated expenditures and underestimated revenues in the adopted budgets.
- ◆ The Board and administration did not include actual historical expenditures as compared to the proposed budget for taxpayer's consideration.
- ◆ The Board did not receive budget-to-actual or budget transfer reports.
- ◆ The proposed budget did not comply with the property tax levy limit.



R.S. ABRAMS & CO., LLP

Accountants & Consultants for Over 75 years

www.rsabrams.com
Islandia · White Plains

Top Ten Internal Control Deficiencies Cited in the New York State
Comptroller's Reports

1. Financial Condition/Management

- ◆ Reserves were not formally established and there was no plan for funding and using the reserves.
- ◆ The District did not adopt a policy or provide calculations or justifications for reserve funding levels.
- ◆ The Board appropriated significant amounts of reserves in the annual budgets resulting in a negative unassigned fund balance.
- ◆ The District appropriated fund balance as a funding source in amounts that exceeded the fund balance actually available and spent more than it received over the past three years.
- ◆ The District used surplus funds each year to finance reserves instead of funding reserves through the annual budget process.
- ◆ District officials inappropriately transferred funds from reserves and transfers were not approved by voters as required.
- ◆ The District's reserve fund balances were excessive.
- ◆ The District appropriated fund balance that was not needed to fund future budgets.
- ◆ District officials incorrectly reported reserve funds cash balances as unrestricted rather than restricted in the District's financial statements.
- ◆ The Board had not developed a multiyear financial plan.
- ◆ Unassigned fund balance exceeded the statutory limit of 4% of next years' budget.
- ◆ The District needed to borrow several million dollars throughout the audit period for cash flow purposes.
- ◆ District officials improperly accounted for certain financial activity related to the capital projects fund, the debt service fund and encumbrances.
- ◆ The District had a deficit fund balance in the school lunch fund and relied on the general fund to subsidize operations in the school lunch fund.
- ◆ The school lunch fund's total fund balance exceeded the federally regulated limit.
- ◆ The District had not taken corrective action in response to external audits.

CULLEN & DANOWSKI, LLP.
CERTIFIED PUBLIC ACCOUNTANTS

1650 Route 112
Port Jefferson Station, NY 11776

Rocky Point Union Free School District

Proposal for External Audit Services

June 30, 2017 - 2021

RFP #R17-03

Peter F. Rodriguez, CPA

Partner

Email: pfr@cdllp.net
Phone: (631) 473-3400 x 104
Fax: (631) 642-4014

Contents

Transmittal Letter	1
What Sets Us Apart?	3
Our Values.....	3
Our Partners	3
Our Experience	4
Professional Affiliations.....	5
Audit Team Qualifications.....	5
Your Audit Team.....	6
References	8
Objective and Scope	8
Audit Methodology.....	9
Quality Control.....	10
Quality Assurance	10
System Review Report.....	11
Fees for Services.....	12
Municipal Clients Listing	13
Insurance	15

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

August 31, 2016

Mr. Greg Hilton
School Business Official
Rocky Point Union Free School District
Administrative Office
90 Rocky Point - Yaphank Road
Rocky Point, NY 11778

Dear Mr. Hilton:

We respectfully submit this proposal for your consideration in the selection of external auditor for the fiscal year ending June 30, 2017 with an option to renew for 2018 through 2021.

We believe we are qualified to offer the Rocky Point Union Free School District (District) the same quality and timely service that we currently provide to our other local municipal clients; in evaluating our firm please consider the following:

- Cullen & Danowski, LLP (Firm) is a firm of certified public accountants licensed in the state of New York, serving the New York and metropolitan area since 1971.
- Five of our firm's six partners specialize in municipal auditing and accounting.
- In addition to the Firm's audit partners and principal, our management team includes five senior level directors and managers, and three audit supervisors overseeing ten audit teams.
- Employee longevity, resulting in a highly qualified audit staff, is one of the keys to our success. Our staff has acquired the special knowledge, skills, and experience needed to serve local municipalities effectively and efficiently.
- With over forty professionals, our firm is the ideal size for providing services to the 52 school districts that we currently audit. In total we engage over 90 school districts that we provide accounting, internal audit or external audit services for.
- Our expertise and reputation are also recognized by the New York State Education Department, which has requested our assistance in providing special accounting and oversight services for school districts on several occasions.
- We continuously provide our clients with up-to-date information regarding the many changes promulgated by both state and federal governments, as well as the Governmental Accounting Standards Board.

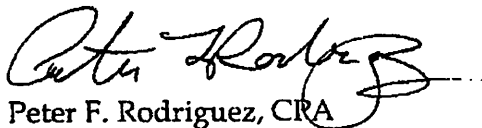
Rocky Point UFSD

- As part of our audit engagement, we determine the District's degree of compliance with internal Board policy and with federal and state regulations.
- Prior to release, to ensure your satisfaction with our services, your financial statement report is put through an extensive review by our Quality Control (QC) Department.
- Our intention is to aid and assist the Board and the District, and, therefore, take a positive approach in our management letter recommendations.
- We encourage a continuous, year-round dialogue in order to be responsive to all your needs. *Rocky Point Union Free School District is important to us!*

We would be pleased to serve as the external auditor for the Rocky Point Union Free School District, and have attached a detailed proposal and quoted fees for the services to be rendered.

If you have any questions or require additional information, please feel free to call.

Respectfully submitted,



Peter F. Rodriguez, CRA
Partner

What Sets Us Apart?

Our years of experience? Our hard-earned expertise? The breadth of our services? Our attention to our clients? These qualities are all undeniably, even vitally important. While we possess them all, our defining and differentiating characteristics can be stated in two words:

Present and Accountable

By present, we mean that Cullen & Danowski is with you, available to you and accessible when you need us. When you work with us, you will have all of our years of experience and the depth of our expertise at your disposal. We will be there to provide the ongoing resources to assist you, by giving you sound advice, implementing change, and providing auditing, accounting, tax, consulting services and anything in between, in a timely manner.

By accountable, we mean that we stand behind our work and our clients. Naturally, that means we are meticulous about our work. Confident that it will stand up to any scrutiny from others, because it has stood up to our own scrutiny.

This is what sets Cullen & Danowski apart. Once you have had a chance to get to know us and our work, we think you'll agree.

Our Values

Since 1971, Cullen & Danowski, located in Port Jefferson Station, NY, has been committed to providing our clients with the highest level of quality service. From attracting and employing the most experienced professional and administrative staff, keeping current with professional standards and best practices, to working with state of the art technology, Cullen & Danowski has earned a reputation of providing exceptional service.

Honesty, integrity, trust and unwavering commitment to our clients and staff are Cullen & Danowski's core values and it's these values that we believe set us apart.

Our Partners

We are a firm of six partners:

- James E. Danowski, CPA
- Peter F. Rodriguez, CPA
- Jill S. Sanders, CPA
- Donald J. Hoffmann, CPA
- Christopher V. Reino, CPA, CITP
- Alan Yu, CPA

Five of our six partners specialize in municipal auditing and accounting; three of whom have over thirty years and two of whom have over twenty-five years of experience in public accounting.

Our Experience

We are a full-service firm with a strong commitment to the growth and success of our clients and the community. The Firm has developed a highly respected reputation over the years through the determination and hard work of the partners and associates.

We provide general accounting, auditing, taxation, and management consulting services for clients in the private and public sectors. A major portion of our practice is devoted to providing services for governmental and not-for-profit organizations and, in particular, auditing local municipalities. Consequently, all staff members spend considerable time serving our municipal clients.

We keep our clients updated by mailings and we hold and/or participate in several informative workshops during the year for board members, superintendents, business officials and other staff members. Some of the topics include: internal controls, the internal audit function, types of audits, GASB Statements, district treasurer duties, payroll reporting, personnel compliance, reserve funds, fund balance management and New York State Teachers' and Employees' Retirement contributions.

We are experienced in dealing with the major bond counsels and fiscal advisors serving school districts. Our firm maintains associations with attorneys and other professionals who are helpful in providing a variety of services to school districts. We have interacted on behalf of our clients with federal and state government agencies on a variety of matters.

Some of the consulting engagements we have been engaged in with respect to school districts are:

- Fund balance forecast;
- multiple year financial projections;
- reserve fund analysis;
- evaluation of food service management program;
- analysis of capital projects expenditures and reporting with the New York State Education Department;
- analysis of preschool and school aged special education program revenues and expenditures and reporting with the New York State Education Department;
- fiscal reviews for the New York State Education Department;
- evaluation of cash management systems;
- departmental reviews of payroll benefits, facilities, purchasing, and special education.

Financial statement audits previously conducted in accordance with *OMB Circular A-133* and now conducted in accordance with the provisions of the *Uniform Guidance* and audits conducted in accordance with *Government Auditing Standards* and auditing standards generally accepted in the United States of America are among the services we provide. We also offer assistance with the preparation of financial reports.

As a member of the AICPA Governmental Audit Quality Center, we receive timely information on a variety of technical, legislative and regulatory subjects that we can apply to our audits. We ensure compliance with the appropriate standards and changes to regulations.

Our firm is independent as defined by both generally accepted auditing standards and the Government Accountability Office's *Government Auditing Standards* with regard to your district. As such, there are no conflicts of interest.

There has never been any disciplinary action taken, nor is there any pending against the Firm with any regulatory bodies or professional organizations.

Professional Affiliations

American Institute of Certified Public Accountants
AICPA Certified Information Technology Professional
AICPA Employee Benefit Plan Audit Quality Center
AICPA Governmental Audit Quality Center
Association of Certified Fraud Examiners
Long Island Village Clerks and Treasurers Association
Long Island Water Conference
Nassau County Chapter of NYS Association of School Business Officials
New York Council of Nonprofits, Inc.
New York State Conference of Mayors and Municipal Officials
New York State Government Finance Officers Association
New York State Society of Certified Public Accountants
NYSSCPA Public Schools Committee
Suffolk County Chapter of NYS Association of School Business Officials

Audit Team Qualifications

Our management team includes: five audit partners, a principal, five senior-level directors and managers, and three audit supervisors. Some of the directors and managers have more than twenty-five years of experience with our firm. Together, our management team supervises ten audit teams. This allows us to properly plan the audit and supervise the staff accountants assigned to the engagement.

We staff each of our engagements with a team of degreed accountants, the majority of whom are certified public accountants, with the remainder working towards certification. All members of our *audit teams* are permanent, full-time employees.

We have a highly experienced audit staff, as our firm has had extremely low employee turnover. Employee longevity is one of the keys to our success.

New York State requires all certified professionals to receive at least forty hours of continuing professional education (CPE) per year. Firm members involved in municipal and not-for-profit audits conducted in accordance with *Government Auditing Standards* are also required to fulfill the CPE requirements of the Government Accountability Office (GAO).

All staff meet the continuing education requirements of the New York State Education Department, the U.S. Comptroller General, and the American Institute of Certified Public Accountants.

Individuals from our firm are also actively involved in the training of municipal and not-for-profit personnel.

We serve as speaker at the meetings of business officials for both Eastern and Western Suffolk BOCES that take place throughout the year.

Your Audit Team

All supervisory members of the team are certified public accountants licensed in the state of New York. All members of the audit team will be full-time staff of the Firm who have had prior school district auditing experience.

Your audit team will consist of the following professionals:

Peter F. Rodriguez, CPA
Partner

Steven P. Lenz, CPA
Director of Quality Control

Deirdre A. Lunetta, CPA
Senior Audit Manager

Senior and staff accountants will be assigned to the engagement upon confirmation of appointment.



Peter F. Rodriguez, CPA
Partner

Email: pfr@cdllp.net
Phone: (631) 473-3400 x104
Fax: (631) 642-4014

Peter Rodriguez, a graduate of Dowling College, has been in the accounting and tax field since 1978. He became a licensed CPA in 1985 and soon thereafter went into partnership with Vincent Cullen. With their combined auditing, accounting and tax preparation knowledge they were able to build a successful municipal auditing and accounting practice.

Peter has worked with local municipalities with both small and large budgets, businesses including large and mid-size firms in various industries, and individuals from all economic and professional backgrounds. With a diverse group of clientele, along with his own experience as a small business entrepreneur, he has become an invaluable resource.



Steven P. Lenz, CPA
Director of Quality Control

Email: spl@cdllp.net
Phone: (631) 473-3400 x301
Fax: (631) 642-4002

Steve Lenz, a graduate of the University of Pennsylvania, became a licensed CPA in 1984 and joined the Firm in 1988. During his time with the Firm, he has worked extensively with municipal clients, including school districts, villages, libraries, towns and both water and fire districts.

With an eye for detail and a high standard of quality, Steve plays a vital role in the Firm. As Director of Quality Control he strives to constantly enhance the knowledge of both staff and clients by periodically lecturing on school district auditing and accounting.

When not educating others, Steve diligently researches authoritative sources of GAAP, laws and regulations applicable to local governments in order to better address internal and external inquiries. Steve is also tasked with the responsibility of performing financial statement reviews for compliance with both professional standards and GAAP, and on a select basis performs reviews of engagement files. Additionally, he is the Firm's liaison with the Governmental Accounting Standards Board (GASB) and the New York State Office of the State Comptroller (OSC).



Deirdre A. Lunetta, CPA
Senior Audit Manager

Email: dal@cdllp.net
Phone: (631) 473-3400 x309
Fax: (631) 642-4001

Ms. Lunetta has a total of twenty one years of accounting experience, including nineteen years in public accounting and two years in the private sector. She currently serves as a senior level manager focusing primarily on the audit of school districts, fire districts and other not-for-profit organizations.

Ms. Lunetta is a member of both the New York State Society of Certified Public Accountants (NYSSCPA) and the American Institute of Certified Public Accountants (AICPA) and holds a Bachelor of Science degree in Accounting from Lander University. Ms. Lunetta is active in the Suffolk Chapter of the New York State Association of School Business Officials and also participates in staff training.

References

We have an extensive list of school district clients (see *Municipal Clients Listing*). As requested, we have selected five of our current audit clients as references. The engagement hours range from approximately 300 to 350 hours.

Babylon UFSD

Dr. Peter Daly
Deputy Superintendent
(631) 893-7914

Hampton Bays UFSD

Mr. Larry Luce
School Business & Facility Mgr.
(631) 723-2134

Bethpage UFSD

Mr. Joseph Marchesiello
Asst. Supt. for Business & Operations
(516) 644-4030

Southampton UFSD

Ms. Maria Smith
Asst. Supt. for Business
(631) 591-4527

East Moriches UFSD

Dr. Charles Russo
Superintendent of Schools
(631) 878-0162

Objective and Scope

We will audit the financial statements of the District, including the government-wide and fund statements in compliance with *GASB Statement No. 34*, for the fiscal year ending June 30, 2017 and at the option of the District the fiscal years ending 2018, 2019, 2020 and 2021. Additionally, we will audit the District's federal financial assistance programs and the extraclassroom activity funds.

These audits will be in accordance with:

- auditing standards generally accepted in the United States of America; and,
- the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In conducting our audits of the financial statements, we will consider the District's compliance, as applicable, with the requirements and guidelines contained in the following publications:

- the *Single Audit Act Amendments of 1996*;
- the provisions of *OMB Uniform Guidance*;
- the *New York State Regulations of the Commissioner of Education*;
- the *New York State Uniform System of Accounts for School Districts*, issued by the New York State Office of the State Comptroller; and,
- the New York State Education Department's *Reference Manual for Audits of Financial Statements of New York State School Districts*.

Audit Methodology

Audits of New York State school districts are conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, as previously discussed.

Based on our understanding of your district and the experience we have in school district auditing, we do not anticipate any potential audit problems. Our approach to the audit includes:

- Audit Planning (*April*)
- Field Work (*August*)
- Issuance of Reports (*October*)

Audit Planning

In the conduct of our engagement, significant effort will be devoted to designing an audit program that is tailored to the District's needs. Proper planning not only promotes audit efficiencies, but also allows us to identify any major areas of concern.

We will schedule an entrance meeting with key District administrative personnel. The objectives of this meeting are to develop background information on your accounting and financial reporting system, to identify the type and relative emphasis of specific work to be performed, and to agree on a timetable for the completion of the audit. Subsequent to this meeting, we will prepare and provide you with an audit plan, which we will present to management. We will also coordinate a review of the prior year auditor's work; and provide a listing of schedules to be prepared by the District.

Initial year engagements require very specific attention to the transition from one audit firm to another. We have very experienced personnel that will be assigned to this engagement to ensure a smooth transition. We understand the importance of change to a district and will coordinate this transition with management to ensure that it is seamless.

Field Work

Our field work will be conducted in two phases, and we will make every effort to minimize disruptions to District staff.

We will review, evaluate, and gain an understanding of the District's internal controls. One of the primary objectives of this review and evaluation will be to determine weaknesses within the system. We will also test these controls using a risk based approach.

We will use internal control questionnaires that have been specifically tailored to New York State school districts. Areas of focus will include cash receipts, cash disbursements, payroll and purchasing. We will employ analytical procedures comparing the current year's actual revenues and expenditures to the budget and to the prior year's actual revenues and expenditures.

We will employ judgmental sampling techniques based on our extensive experience in auditing school districts and our understanding of the District. The audit program will include testing the District's transactions for compliance with federal, state and local laws and regulations and internal board policy.

The second phase of our field work will take place once the District's books are effectively closed and the financial statements have been drafted. At that time, we will audit the financial balances and draft financial statements for reasonableness. Any proposed adjusting journal entries will be reviewed with management. Upon completion of our field work, we will provide the Business Office with copies of trial balances, adjusting journal entries and any schedules it requires.

Issuance of Reports

If the District does not itself prepare, or have a third-party accountant prepare, the financial statements, the Firm can assist in preparation if the District can designate an individual who, in our judgment, possesses the suitable skill, knowledge or experience to oversee our service in accordance with *Generally Accepted Government Auditing Standards*.

The Firm's thorough audit planning, preparation of the audit team and timing of the audit work will contribute to the timely issuance of our reports by the prescribed due date. We are available to make a presentation of the reports to the Board of Education.

Quality Control

One of the most important aspects for the success of any engagement is quality control. To ensure your satisfaction, this is a process that we give significance to. Prior to release, your financial statement report is put through an extensive review by our Quality Control (QC) Department.

The objective of the QC process is not only to help guarantee delivery of reports that consistently meet or exceed your expectations while adhering to industry standards and any applicable regulations, but also that the report strictly complies with our firm's standards of excellence.

Our QC experts have impeccable analytical skills, are capable of interpreting laws and regulations, implementing defined policies and performing investigative duties when needed. With a precise eye for detail, our QC department has the responsibility of making sure that products and services you receive are reliable and of finest quality.

When combined with consistent on-time delivery and responsive, dynamic service, regularly producing high-quality reports guarantees exceptional client satisfaction.

Quality Assurance

As a member of the American Institute of Certified Public Accountants (AICPA) Division of Firms, Cullen & Danowski undergoes a mandatory peer review of the accounting and auditing practice. This triennial review is conducted according to the quality control standards issued by the AICPA. At the conclusion of our most recent peer review, the review concluded the Firm met the objectives and received a "pass" opinion. Peer review opinions are classified as "passed," "passed with deficiencies" or "failed." The receipt of a "passed" opinion is testimony to our commitment to the highest standards.

System Review Report

R.A. MERCER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS
63 SO. MAIN STREET
CATTARAUGUS, NY 14719
(716) 257-9511

RAYMOND A. MERCER, CPA 1931-1934
ROBERT W. IRWIN, CPA

CATHIE J. BRIDGES, CPA
KENNETH E. FRANK, CPA
ROGER J. LIS, JR., CPA
PAUL L. JAGODA - BOOTH, CPA
DENISE D. VELOSKI, CPA
KATHRYN A. LARRACQUENTE, CPA

Fax (716) 257-9513
www.raimercerpa.com

SYSTEM REVIEW REPORT

June 5, 2015

To the Partners of Cullen & Danowski, LLP
And the Peer Review Committee of the NYSSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Cullen & Danowski, LLP (the firm) in effect for the year ended December 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Governmental Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Cullen & Danowski, LLP in effect for the year ended December 31, 2014, has been suitable designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Cullen and Danowski, LLP has received a peer review rating of *pass*.

R.A. MERCER & CO., P.C.
R.A. Mercer & Co. PC.

CATTARAUGUS
716-257-9511

ORCHARD PARK
716-675-4270

SARDINIA
716-496-5028

SPRINGVILLE
716-592-0038

Fees for Services

We use a computerized client time record system, which enables us to track the actual time spent on an engagement by date, staff level, and work code. This time record assists us in projecting proposed fees. Based on our extensive experience in school district auditing and our estimate of the time required, we will undertake and complete the engagement for the fiscal year ending June 30, 2017 for the fee indicated below. This fee includes the audit of the financial statements that are prepared in compliance with *GASB Standards*, the audit of the federal financial assistance programs, as required under the *Single Audit Act Amendments of 1996*, and the audit of the extraclassroom activity funds.

Out-of-pocket expenses in connection with this engagement will be the responsibility of this firm. We will not seek reimbursement from the District for travel or other out-of-pocket expenses other than charges from financial institutions for processing audit confirmations.

Progress billings against the engagement fee will be submitted to the District during the course of the engagement.

We understand that the District is contemplating an option to renew for the fiscal years ending June 30, 2018 through 2021. Accordingly, we are proposing the fees as follows:

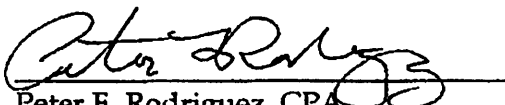
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>\$ 43,000</u>	<u>\$ 43,600</u>	<u>\$ 44,300</u>	<u>\$ 44,900</u>	<u>\$ 45,700</u>

The schedule of hourly rates by personnel is as follows:

Partner	\$ 200
Director of Quality Control	165
Principal / Manager	165
Supervisor	150
Senior	135
Staff	115

Additional professional services requested by the Board of Education will be billed at the rates indicated previously through the year ending December 31, 2018.

Peter F. Rodriguez, as partner of the firm of Cullen & Danowski, LLP, certifies that he is empowered to submit this bid and authorized to sign a contract with the Rocky Point Union Free School District on behalf of the Firm.


Peter F. Rodriguez, CPA
August 31, 2016

Municipal Clients Listing

School Districts

Amagansett UFSD
Amityville UFSD
Babylon UFSD
Baldwin UFSD
Bay Shore UFSD
Bayport - Blue Point UFSD
Bellmore UFSD
Bellmore-Merrick CHSD
Bethpage UFSD
Bridgehampton UFSD
Center Moriches UFSD
Commack UFSD
Connetquot CSD
Copiague UFSD
East Islip UFSD
East Moriches UFSD
East Quogue UFSD
East Williston UFSD
Eastern Suffolk BOCES
Edgemont UFSD
Farmingdale UFSD
Fire Island UFSD
Fishers Island UFSD
Freeport UFSD
Garden City UFSD
Glen Cove City SD
Great Neck UFSD
Half Hollow Hills CSD
Hampton Bays UFSD
Harborfields CSD
Harrison CSD
Hauppauge UFSD
Hawthorne Cedar Knolls UFSD
Hempstead UFSD
Hewlett-Woodmere UFSD
Hicksville UFSD
Huntington UFSD
Island Trees UFSD
Islip UFSD
Jericho UFSD
Kiryas Joel UFSD
Lawrence UFSD
Levittown UFSD
Lindenhurst UFSD
Little Flower UFSD

Long Beach City SD
Longwood CSD
Malverne UFSD
Mamaroneck UFSD
Mattituck-Cutchogue UFSD
Merrick UFSD
Miller Place UFSD
Mineola UFSD
Mount Sinai UFSD
New Hyde Park - Garden City Park UFSD
North Babylon UFSD
North Bellmore UFSD
North Merrick UFSD
North Shore CSD
Northport-East Northport UFSD
Oysterponds UFSD
Pelham UFSD
Plainedge UFSD
Port Chester-Rye UFSD
Port Jefferson UFSD
Remsenburg-Speonk UFSD
Riverhead CSD
Rockville Centre UFSD
Roosevelt UFSD
Rye City SD
Sachem CSD
Scarsdale UFSD
Sewanhaka CHSD
Shelter Island UFSD
Shoreham-Wading River CSD
Smithtown CSD
South Country CSD
Southampton UFSD
Southern Westchester BOCES
Southold UFSD
Springs UFSD
Syosset CSD
Tuckahoe Common SD
Valley Stream UFSD Thirty
Valley Stream UFSD Twenty-Four
West Babylon UFSD
West Hempstead UFSD
West Islip UFSD
Westbury UFSD
Western Suffolk BOCES
Westhampton Beach UFSD

Fire Districts

Atlantic Beach FD
Bellport FD
Bethpage FD
Bohemia FD
Centereach FD
Commack FD
Deer Park FD 14
East Islip FD
East Marion FD
Farmingville FD
Gordon Heights FD
Hauppauge FD
Holbrook FD
Islip Terrace FD
Kings Park FD
Locust Valley FD
Mastic FD
Montauk FD
Plainview Fire Protection District
Ridge FD
Riverhead FD
Rocky Point FD
Setauket FD
Sound Beach FD
Southampton FD
Southold FD
Springs FD
Stony Brook FD
West Hempstead FD
Westhampton Beach FD

Libraries

Amityville Public Library
Comsewogue Public Library
East Islip Public Library
East Meadow Public Library
Freeport Memorial Library
Hewlett-Woodmere Public Library
Jericho Public Library
Massapequa Public Library
Port Washington Library
Riverhead Free Library
Shelter Rock Public Library
South Huntington Public Library

Towns

Town of East Hampton
Town of Huntington
Town of Oyster Bay
Town of Riverhead
Town of Shelter Island
Town of Southampton

Villages

Inc. Village of Belle Terre
Inc. Village of East Hills
Inc. Village of East Rockaway
Inc. Village of Head of the Harbor
Inc. Village of Lake Success
Inc. Village of Laurel Hollow
Inc. Village of Lindenhurst
Inc. Village of Lloyd Harbor
Inc. Village of Lynbrook
Inc. Village of North Hills
Inc. Village of Ocean Beach
Inc. Village of Old Westbury
Inc. Village of Patchogue
Inc. Village of Poquott
Inc. Village of Port Jefferson
Inc. Village of Port Washington North
Inc. Village of Roslyn
Inc. Village of Saltaire
Inc. Village of Sands Point
Inc. Village of Upper Brookville

Water Districts

Bethpage Water District
Greenlawn Water District
Hicksville Water District
Plainview Water District
South Farmingdale Water District
West Hempstead Water District

Special Districts

Carle Place Garbage District
Fishers Island Waste Management
Glenwood Garbage District
Oceanside Sanitation District
Port Washington Police District

Insurance

As indicated in the request for proposals, the Firm currently holds the following insurance policies, as indicated below, which will be evidenced by providing a certificate of insurance to the District prior to commencement of work or use of facilities.

We further acknowledge that the procurement of such insurance is intended to benefit not only the District, but also the District's insurer.

General Liability

Commercial liability insurance in the amount of \$1,000,000 per occurrence, \$2,000,000 aggregate.

Umbrella Liability

Umbrella liability insurance in the amount of \$3,000,000 per occurrence, \$3,000,000 aggregate.

Workers' Compensation

Workers' compensation insurance maintained at the requested statutory limits.

Professional Errors & Omissions

Professional errors and omissions insurance for errors and omissions resulting from services performed for the District in the amount of \$2,000,000 per occurrence, \$2,000,000 aggregate.

Automobile

Automobile insurance in the amount of \$1,000,000 per accident.



Rocky Point Union Free School District

Proposal for External Audit Services

Prepared By
D'Arcangelo & Co., LLP

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

Rocky Point Union Free School District

TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
Form A – Vendor Identification	2
Form A Attachments –	
Firm Profile	3-4
Engagement Administration	5-6
Form B – References	7
School District Audit Experience	8
Engagement Plan	9-11
Scope of Audit Procedures	12-18
Required Statements	19
Schedule of Audit Hours	20
Form C – Statement of Fees	21
Schedule of Compensation by Title	22
Peer Review Report	23

INTRODUCTION

D'Arcangelo & Co., LLP is committed to excellence in accounting and auditing services through continued participation in comprehensive staff education and training. Our Firm's diverse experience has given us an excellent understanding of various operations which proves to be a valuable tool in consulting and providing sound recommendations. Our versatile staff is comprised of highly motivated individuals with mature judgment and experience.

Our mission statement is simple: to help our clients succeed by providing quality, responsive services while maintaining the highest level of professionalism. The individuals at D'Arcangelo & Co., LLP have core values that we believe set us apart from other firms:

- We do not compromise our **Integrity**
- We maintain **Professionalism** at all times
- We have **Dedication** to our clients
- We maintain **Accountability** for all of our actions
- **Teamwork** is the key to our success

We believe D'Arcangelo & Co., LLP can add value to the Rocky Point Union Free School District and various component school districts for the following reasons:

- We have a significant depth of staff and other resources available to fully support our client needs.
- We are professionals who are committed to providing our clients with quality work at a fair price while, at the same time, treating them with the respect they deserve.
- We provide a personalized level of service by having active partner involvement at all client engagements.
- We have a vast amount of experience with nonprofit and governmental organizations including, but not limited to BOCES, school districts, counties, cities, towns, villages, community colleges, private colleges, and foundations.
- Our Firm delivers timely, responsive, and professional services to our clients. We emphasize returning all telephone calls promptly and treating our clients with courtesy and importance. While serving as auditors, we plan well in advance to meet or beat all deadlines.
- When requested, we are able to assist our clients with internal operating functions. Examples of consulting services we have provided our clients in the past include:

Forensic Audits
Budget Analysis
Tax Law Research
Human Resource Services

Healthcare Reform Act
Design of Monthly Financial Reports
Installation of Computer Software
Implementation of New Accounting Standards

Rocky Point Union Free School District

FORM A – VENDOR IDENTIFICATION

Name of Organization: D'Arcangelo & Co., LLP
 Address of Organization: 200 East Garden Street
Rome, NY 13440

Roy J. (Chip) Clark, CPA, CIA, CGMA
 Contact Person and Title: Partner
 Telephone Number: (315) 336-9220
 Facsimile Number: (315) 336-0836
 E-mail (if available): cclark@darcangelo-cny.com
 URL (if available): www.darcangelo.com

Are you incorporated? () Yes (X) No

If you are not incorporated, please check the appropriate line below:

 Partnership
 Sole Proprietorship
 Unincorporated Association
 X Other (please specify) Limited Liability Partnership (LLP)

	Firm-Wide Totals	Responsible Office (Utica/Rome)
Number of Shareholders	33	10
Number of Principals	5	2
Number of Managers	23	3
Number of Seniors	15	4
Number of Professional Staff	41	15
Number of Support Staff	17	6

Firm is (check one): Local Regional X National

FORM A ATTACHMENT – FIRM PROFILE

Our Firm

D'Arcangelo & Co., LLP, a regional public accounting firm, was organized in Westchester County, New York, in 1950. Presently, we have seven offices in New York State located in Syracuse, Rome, Utica, Oneida, Westchester, Poughkeepsie, and Millbrook. D'Arcangelo & Co., LLP has thirty-three partners and one hundred-twenty professional staff.

The Firm is organized as a Limited Liability Partnership (LLP) engaged in the general practice of public accounting. The practice includes accounting and auditing services, tax planning and preparation, management advisory services, and computer consulting. Our diverse client base includes governmental entities, educational institutions (including public and private colleges), health and welfare funds, pension funds, legal funds, nonprofit organizations, commercial businesses, professional firms, industrial firms, and individual tax work.

The Firm operates based on specialty Practice Units. Each Practice Unit is comprised of industry specialists from each of our offices. We are able to draw upon the experience of our industry specialists to provide our clients with the level of service they require. These specializations allow us to adapt to the rapidly-changing needs of our clients. We have developed these specialized areas and have assigned personnel with such expertise to manage those engagements. Our Firm has extensive experience with auditing BOCES and school districts within New York State and has successfully and consistently met the demands that these complex engagements require.

Our Philosophy

At D'Arcangelo & Co., LLP, our success is measured in terms of our clients' complete satisfaction. Meeting all of your most specific needs is our first priority. Our staff is large enough to address our client's needs, yet small enough to maintain personalized services. Our clients receive individual attention backed by a wealth of experience and resources.

The partners of our Firm are an integral part of the audit team. They are not only involved in supervising staff but are directly involved in planning the audit, reviewing internal controls, designing audit procedures, meeting with client management, and developing reports. We believe this level of involvement is necessary to provide our clients with personal attention and to effectively respond to their requests and needs.

Quality Assurance

D'Arcangelo & Co., LLP is a member of the AICPA's Division for CPA Firms. As a member of the Division for CPA Firms, we must undergo a rigorous peer review during which another CPA firm examines our operating procedures and issues an opinion as to whether those procedures are sufficient to assure that our auditing and accounting work meets industry's standards. We received a rating of pass in our most recent peer review in 2013.

Rocky Point Union Free School District

FORM A ATTACHMENT – FIRM PROFILE

Quality Assurance (Continued)

Our quality control procedures require that reports issued be subjected to review and approval by the Quality Control Department. All reports that leave our offices comply with current accounting, SEC (if appropriate) and other statutory requirements.

As members of the AICPA Center for Audit Quality, AICPA Governmental Audit Quality Center, and the AICPA Employee Benefit Plan Audit Quality Center, we must also comply with additional training and oversight requirements.

Professional Activities and Training

In addition to our client experience, the Firm's partners and staff devote substantial time to improving themselves and servicing the profession. All audit personnel are required to complete a minimum of 40 hours of professional training annually. Partners and managers/in-charge accountants generally concentrate their training in their area of specialization.

Our Firm is active in many professional organizations. Partners have served and continue to serve as presidents of Chapters and board members, and also serve as speakers in State Society training sessions and in-house staff training seminars.

Transition to D'Arcangelo & Co., LLP

D'Arcangelo & Co., LLP is accustomed to first year engagements with new clients, in which the transition process is made as easy as possible. Our experienced audit team; from the Engagement Partner, who is an integral part of the team, to the staff; will have had prior experience auditing school districts. We believe this level of experience will facilitate a smooth transition for your District. Although, the initial documentation of internal controls can be tedious and expansive, policies and procedures are in place to ensure that this process runs smoothly. Additionally, we will have direct communications with the predecessor auditors, as well as preparing a detailed planning memorandum to Management for both our interim and year-end fieldwork. We expect full cooperation with your predecessor auditors and would require reviewing prior-year working papers.

All start-up costs incurred with a new client are built into the proposed fees and are expected to be recouped over future years through efficiencies and a long-term relationship.

Rocky Point Union Free School District

FORM A ATTACHMENT – ENGAGEMENT ADMINISTRATION

The engagement will be staffed with various levels of experience for maximum efficiency while maintaining D'Arcangelo & Co., LLP's highest standards of quality control. All of D'Arcangelo & Co., LLP staff assigned to the engagement will have met or exceeded the continuing professional education requirements of the Government Auditing Standards. We will maintain the same staff on the engagement during the audit process.

Roy J. (Chip) Clark, CPA, CIA, CGMA – Engagement Partner



Mr. Clark, a graduate of Syracuse University, concentrates almost exclusively in governmental and nonprofit auditing, with over 20 years of experience in these areas. Mr. Clark has extensive experience with complex audit issues, such as fund balance planning, budget projections, implementation of reporting standards, Single Audit Compliance requirements, and internal control best practices.

Mr. Clark is a member of the American Institute of Certified Public Accountants (AICPA), the New York State Society of Certified Public Accountants (NYSSCPA), the Institute of Internal Auditors (IIA), the New York State Association of School Business Officials (NYSASBO), and the Government Finance Officers Association (GFOA). Mr. Clark lectures state-wide for the New York State School Boards Association on accounting and auditing issues. In addition to being a Certified Public Accountant, Mr. Clark has also received the designation of Certified Internal Auditor through the Institute of Internal Auditors and lectures frequently on internal control best practices for governmental entities and is in charge of the firm's internal audit department. Mr. Clark maintains current on all governmental and nonprofit accounting and auditing topics by regularly attending seminars during the year.

Mr. Clark will be responsible for the overall planning and administration of the engagement, coordination of the work performed, and preparation of the final reports. He will be accessible at all times to respond to requests and coordinate communications.

FORM A ATTACHMENT – ENGAGEMENT ADMINISTRATION

Tricia L. Lucas, CPA, CGMA – Engagement Quality Control Partner



Mrs. Lucas graduated SUNY at Oswego in 1994. She began her accounting career with D'Arcangelo & Co., LLP in 1996 as a staff accountant. Mrs. Lucas became a Certified Public Accountant licensed to practice in New York State in April 2000 and became a partner of the firm in January 2006.

Mrs. Lucas has over 20 years of experience in governmental audit engagements and nonprofit organizations including school districts, BOCES, counties, cities, and colleges. In addition, she has extensive knowledge of telecommunications companies. Currently, she has executive responsibilities for some of the Firm's largest governmental audits as well as a telecommunications audit and is proficient in all facets of each

engagement.

She is a member of the American Institute of Certified Public Accountants (AICPA) and the New York State Society of Certified Public Accountants (NYSSCPA). In addition, Mrs. Lucas is currently the chairperson of the firm's Quality Control Committee.

Mrs. Lucas maintains current on all governmental and non-profit accounting and auditing topics by regularly attending seminars during the year.

Mrs. Lucas will be responsible for concurring on the overall engagement and final reports. She will also be accessible to the School District's management during the year to respond to requests and for consulting matters.

Rocky Point Union Free School District

FORM B – REFERENCES

D’Arcangelo & Co., LLP performs audit and consulting services for an extensive number of school districts, municipalities, community colleges, and various nonprofit organizations. A separate list of school districts and BOCES that we render these services to have been provided on the following pages.

The following individuals represent certain audit clients which you may wish to personally contact:

Mr. Wayne Loper
Assistant Superintendent for Finance
and Operations
Valley Stream Union Free High School
One Kent Road
Valley Stream, NY 11580
(516) 872-5610

Ms. Rosemary Ruggiero
Treasurer
Port Washington Union Free School District
100 Campus Drive
Port Washington, NY 11050
(516) 767-5026

Ms. Laura Hart
Business Manager
Potsdam Central School District
29 Leroy Ave
Potsdam, NY 13676
(315) 265-2000

Mr. John Canty
Accountant
Valley Stream UFSD Thirteen
585 North Corona Avenue
Valley Stream, NY 11580
(516) 568-6110

Rocky Point Union Free School District

SCHOOL DISTRICT AUDIT EXPERIENCE

Our school district audit experience is illustrated by the following list of district clients. We have been engaged in school district audits since the mid 1950's when legislation was passed requiring that districts be audited by an independent CPA firm. As noted in our credentials, our partners and principals have participated on various professional committees, including chairmanship.

Years Engaged	Client Name	Years Engaged	Client Name
8	Aflon Central School District	3	New Hartford Public Library
3	Arlington Central School District	5	New York School & Municipal Energy Consortium
6	Broome - Tioga BOCES	8	OCM BOCES
Over 20	Canastota Central School District	4	ONC BOCES - Dental Consortium
11	Cazenovia Central School District	4	ONC BOCES - Health Consortium
6	Central NY School Employees	4	ONC BOCES - W/C Consortium
2	Central Valley Central School District	4	ONC BOCES, Otsego Northern Catskill
8	Christian Brothers Academy	8	Oneida City School District
2	City of Oneida, New York	8	Oxford Academy and Central School District
Over 40	City of Rome, New York	6	Port Washington Union Free School District
7	City of Sherrill, New York	8	Potsdam Central School District
4	Clinton Central School District	15	Remsen Central School District
10	DC BOCES Consortium Health Plan	Over 40	Rome City School District
Over 20	Delaware-Chenango BOCES	5	Salina Fire District No. 2
10	Delhi Central School District	Over 30	Sherburne-Earlville Central School District
15	Downsville Central School District	8	Sidney Central School District
3	Dunham Public Library	2	Syracuse Regional Airport Authority
15	East Oneida Lake Water Pollution Abatement Project	2	Town of Clay
16	East Syracuse - Minoa Central School District	5	Town of New Hartford
4	Fabius-Pompey Central School District	2	Town of Trenton
8	Gilbertsville-Mount Upton Central School District	10	Unadilla Valley Central School
10	Hannibal Central School District	5	Valley Stream High School
10	Herkimer Central School District	5	Valley Stream UFSD Thirteen
Over 20	Herkimer County Community College	6	Verona Fire District
Over 20	Herkimer, County of, New York	10	Village of Sylvan Beach
2	Holland Patent Central School District	15	Walton Central School District
2	LaFayette Central School District	3	Waterville Central School District
2	Locust Valley Central School District	9	Weedsport Central School District
Over 30	Madison-Oneida BOCES	9	Westhall Central School District
Over 30	Madison-Oneida BOCES Health Consortium	5	Westmoreland Central School District
Over 30	Madison-Oneida BOCES Workers' Compensation Consortium	4	Westmoreland Fire District
Over 20	Mohawk Valley Community College	11	Whitesboro Central School District
Over 20	Morrisville?Eaton Central School District		

Rocky Point Union Free School District

ENGAGEMENT PLAN

Scope of Services

We propose to audit the basic financial statements of Rocky Point Union Free School District as of 2017, (the District) for the year then ended in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Guidance Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance).

We understand that you will provide us with the basic information required for our audits and are responsible for the accuracy and completeness of that information. We will provide advice about appropriate accounting principles and their application and will assist in the preparation of the financial statements, but the responsibility for the financial statements remains with the District. This responsibility includes the maintenance of adequate records and the related internal control structure, the selection and application of accounting principles, and the safeguarding of assets.

In accordance with the above standards, we intend to issue the following reports for Rocky Point Union Free School District:

1. Independent Auditor's Report on the District's basic financial statements with required supplementary information and other supplementary information.
2. Independent Auditor's Report on compliance and on the internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Guidance Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance). This report will also refer to the Schedule of Expenditures of Federal Awards and related notes, as required.
4. Management Letter.
5. Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
6. Audit opinion with accompanying financial statement and notes for the Extraclassroom Activity Funds.

Rocky Point Union Free School District

ENGAGEMENT PLAN

D'Arcangelo & Co., LLP's philosophy of providing professional services, including audits, is to fully integrate the engagement partner in all facets of the engagement from planning to report preparation. With our available resources and experience in auditing BOCES and school districts, D'Arcangelo & Co., LLP is able to offer experienced staff equal to or exceeding that of a national firm combined with the personal attention provided by small firms.

It is the policy of our Firm that all audit and attestation engagements be properly planned, supervised, and reviewed. The Firm has adopted the Practitioner Publishing Company (PPC) services for use on all engagements. Specifically, the Firm utilizes Governmental Audits as a guide to our procedures on governmental audits. The Firm also utilizes Engagement Manager which allows us to perform paperless audits.

In addition, the Firm uses custom designed audit programs to meet the needs of each individual engagement. Further, under the Single Audit Act, the Firm utilizes the Compliance Supplement as a guide to perform tests of various Federal programs, as required.

Auditing standards require that we obtain an understanding of internal controls and consider the internal control sufficient to plan the audits accordingly. These standards require us to identify the existence of fraud and the procedures and testing required to perform the audits. Our Firm utilizes a variety of sampling techniques to confirm our understanding of internal controls and to substantiate the assertions being audited. These techniques range from random sampling to the use of computer assisted audit tools including data extraction and data mining software. The software allows us to enhance our sampling techniques to include unusual transactions from large data sets. There are many forensic tests we employ to assist in the audit process and provide a higher comfort level.

Before issuing an audit report, a review shall be performed by someone not assigned to the engagement with appropriate technical competence and authority. This will entail reading of the basic financial statements and auditor's report, as well as a review of sufficient documentation to provide reasonable assurance to allow issuance of the report and financial statements.

Other Consultation

As part of the engagement, we will also respond to limited inquiries throughout the fiscal years without an additional charge. However, if there is an inquiry that requires significant additional time, we will discuss the number of estimated hours with you and arrive at an estimated fee before additional costs are incurred.

Rocky Point Union Free School District

ENGAGEMENT PLAN

Timing of Field Work

The timing of the audit fieldwork will be at the convenience of Rocky Point Union Free School District and coordinated to meet all the reporting deadlines. D'Arcangelo & Co., LLP maintains a division of staff specializing in auditing and is, therefore, flexible enough to offer our services at competitive rates. We will utilize the same staff throughout the engagement. Provided below is a tentative audit plan and is subject to change to conform with management's deadlines.

<u>Audit Phase</u>	<u>Target Dates</u>
Pre-audit entrance conference to review the interim and year-end planning memorandums; discuss timing of fieldwork, audit programs and procedures, and staffing. At this time, we will also explain any new accounting, financial reporting, or audit standards which may affect the engagement.	Upon acceptance of proposal.
Perform initial audit procedures including review and documentation of internal controls, preliminary analytic review, transaction testing, and Federal compliance testing.	May/June
Perform year-end audit procedures including updates of internal control structure, analytic review, confirmations, detailed test work, account balance substantiation, and additional Federal compliance, as required.	July/August
Exit conference to review draft financial statements and draft management letter(s) with management.	By September 30, 2017
Deliver copies of the final financial statements and management letter.	No later than October 15

Rocky Point Union Free School District

SCOPE OF AUDIT PROCEDURES

Objectives of Audit

The purpose of an audit is to express an opinion on the annual financial statements which are the representation of management. Management usually makes their representation through the financial statements and compliance with laws and regulations. For this purpose, we will conduct the audit of Rocky Point Union Free School District in accordance with Generally Accepted Auditing Standards (GAAS) issued by the American Institute of Certified Public Accountants (AICPA) and the Government Auditing Standards (GAS) issued by the United States General Accounting Office (GAO).

The above is the basic premise of the entire audit. However, to fully understand its depth, the basic objectives must be categorized as follows:

1. Expression of an Opinion on Basic Financial Statements - This objective involves the expression of an opinion on the basic financial statements as to whether they are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP) issued by the AICPA.
2. Consideration of Internal Control Components - In order to perform an effective audit, we obtain an understanding of the internal control components relevant to the audit of the financial statements. The internal control components consist of five elements:

Control Environment
Risk Assessment
Control Activities
Information and Communication
Monitoring

The above elements will be discussed more in depth later. In accordance with GAAS and GAS, all findings, if any, are to be communicated with management. However, our report is not intended to provide assurance on the internal control structure.

3. Compliance - As part of the audit under GAS, we are required to report on the compliance with laws, regulations, contracts, and grant agreements which are relevant to the audit of the financial statements. However, our objective is not to provide an opinion on over-all compliance. Our objective is to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Rocky Point Union Free School District

SCOPE OF AUDIT PROCEDURES

4. Single Audit Act Amendments of 1996 - The objectives of the Single Audit Act of 1996 administered in accordance with Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Guidance Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance):
 - a. To determine if financial statements are presented in accordance with GAAP;
 - b. To determine if the internal control systems provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations;
 - c. To determine if the District has complied with laws and regulations which have a material effect on the financial statements and on each Federal assistance program.

Based on these objectives, it can be determined that the single audit overlaps areas of the audit performed in accordance with GAAS and GAS.

Audit Procedures

In order to complete the audit in a timely manner, we perform our work in the following phases:

Phase I - This phase includes our preliminary work. It mainly involves risk assessments, documenting, and testing the internal controls in order to evaluate the extent of testing and analysis which must be completed in subsequent phases.

Phase II - This phase is completed after June 30, when all adjustments have been made to the trial balance. The extent of the procedures performed depends upon professional judgment based on the consideration of the results of Phase I.

Phase III - Involves a review of the financial statements to assure they are in accordance with GAAP. This phase also involves the preparation of all necessary reports in compliance with GAAS, GAS, and the Single Audit Amendments Act of 1996 and Title 2, U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Guidance Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance). At this point, we also prepare a management letter which summarizes our comments and findings.

- A. Phase I - Preliminary Audit Procedures - Generally considered the planning phase in which we assess the level of risk of errors or irregularities in management's assertions. Management's assertions take the form of existence, completeness, rights and obligations, valuation and allocation, and presentation and disclosure of financial information.

SCOPE OF AUDIT PROCEDURES

1. Risk Assessment - In order to properly assess risk, we must take at least the following into consideration:
 - a. Prior year audit experience;
 - b. Control Environment - The control environment is basically management's policies and attitudes. This would include motivational concerns such as budget constraints, political agendas, and other outside factors;
 - c. Legal requirements of grant agreements on the Federal, State, or local level;
 - d. Reporting Requirements - This would include both reports prepared for internal or external use;
 - e. Information and Communication - The information system is the actual mechanism used to process information. This would include all the modules of the accounting and computer system used to identify, assemble, analyze, classify, record, and report transactions;
 - f. Monitoring - The process of assessing the quality of internal control performance over time;
 - g. Control Activities - The policies and procedures that help ensure management directives are carried out. This area concerns itself with procedures used to authorize and ensure the correctness of the transactions being processed and to ensure management's objectives are being achieved;

Also, when assessing risk, we consider each control cycle separately. This individual assessment must be broken down into three categories:

- Inherent Risk - The mere nature of the transaction renders it susceptible to risk of irregularities (i.e. cash receipts).
- Control Risk - The risk that an error or irregularity might occur despite the control procedures in place.
- Detection Risk - Because the audit uses sampling and judgment, there is risk that errors or irregularities might occur and not be detected in the audit.

SCOPE OF AUDIT PROCEDURES

2. **Materiality** - During this stage of the audit, we also consider the concept of materiality. Materiality is defined in the Financial Accounting Standards Board's State of Financial Accounting Concepts No. 2 as, "the magnitude of an omission of misstatements of account information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

The consideration of materiality is used to assist in the planning of the extent of audit procedures. This consideration ultimately depends upon professional judgment, and it is considered both on a quantitative and qualitative basis.

3. **Consideration of Fraud** – Generally Accepted Auditing Standards require us to consider the risks of material misstatement of the financial statements due to fraud and to design the audit to provide reasonable assurance of detecting fraud that results in the financial statements being materially misstated.

There are two types of misstatements caused by fraud:

1. Misstatements resulting from fraudulent financial reporting – intentional misstatements, or omissions, of amounts or disclosures from the financial statements with the intent of deceiving financial statement users.
2. Misstatements resulting from misappropriation of assets – theft of assets that results in the financial statements not being presented, in all material respects, in conformity with GAAP.

The following outlines our fraud risk assessment process:

1. We will hold a discussion amongst engagement team members to consider the susceptibility of your financial statements. This discussion will include how your assets could be misappropriated, how management could perpetrate and conceal fraudulent financial reporting, and different accounts or audit areas that might be susceptible to fraud.
2. Obtain other information needed to identify risks of material misstatements due to fraud. This may be accomplished by inquiring with management and others about their knowledge of any fraud that may have occurred and their understanding of the risks of fraud. In addition, preliminary analytical procedures will be considered along with the consideration of the existence of fraud risk factors.

SCOPE OF AUDIT PROCEDURES

3. We will identify risks of material misstatements due to fraud using professional judgment and our knowledge of management, internal controls, and industry.
4. Identified fraud risks will then be assessed for controls that mitigate the risk or other antifraud programs in place.
5. All remaining fraud risks identified will require responses specifically tailored to your audit. The final approach and design of the audit will be customized to your identified risks to provide reasonable assurance that your financial statements are free of material misstatement due to fraud.

Although it appears as though there is a sequential process to considering the risks of fraud, the above procedures will be performed throughout the audit process concurrently with other procedures.

4. Test of Transaction Cycles - After documenting and assessing the internal control structure, we perform tests to conclude on the effectiveness of the procedures and to further assess the internal controls. Generally, due to the high volume of small transactions, our sample sizes are dependent upon the initial assessment of risk. We will use selective sampling techniques to accomplish our objectives in relation to the assessed risk. In order to facilitate a more comprehensive review, we will utilize data extraction software to determine a representative sample and to perform various analytic techniques.
5. Other Preliminary Procedures - In addition to the above procedures, we also perform the following procedures in Phase I:
 - a. Analytical Procedures - This is conducted using various sources of information. Such procedures include at least the following:
 1. Prior year to actual comparisons considering change in non-financial statistics;
 2. Budget to actual comparisons;
 3. Investigation of any deviances from anticipated results of management based on inquiries and other procedures.
 - b. Review of Minutes and Resolutions - This procedure includes reading and noting pertinent matters for the audit. All audit procedures are designed with these matters taken into consideration.

SCOPE OF AUDIT PROCEDURES

6. Assess Information Technology Infrastructure – We will gain an understanding of the information technology (IT) infrastructure including hardware systems, operating systems, applications being used, and the management controls in place to care for these assets. Based on inquiries and walkthroughs of facilities, we will gain the following assurance:

- The appropriate systems are in place.
- The technical ability exists to manage these systems.
- The procedures in place are sufficient to protect the system.
- The policies are documented with respect to operations.
- Communication and reporting to management are sufficient for decision-making purposes.

B. Phase II - Year End Audit Procedures

Based upon the results of Phase I, we evaluate the internal control structure and design the audit procedures to meet various audit objectives. The following is a brief summary of areas tested at year end:

1. Cash and Investments
2. Receivables
3. Inventory
4. Property, Plant, and Equipment
5. Liabilities – Current and Long-Term
6. Payroll and Related Liabilities
7. Testing GASB 45 Census Data
8. Deferred Revenue
9. Capital Projects
10. Fund Balance and Reserves
11. Revenues (including calculation of the return of surplus)
12. Expenditures (including transfer charges, as applicable)
13. Final Review of Minutes and Resolutions

C. Phase III - Reporting on Financial Statements

Once all fieldwork is completed and adjusting journal entries (if any) are made, the report review phase will begin. New accounting pronouncements and auditing guidelines will affect the complexity and time involved in this phase.

SCOPE OF AUDIT PROCEDURES

Additional Procedures

By employing data extraction and data mining software to the database files, we would be able to greatly enhance our sampling procedures and analyze large sets of data for inconsistencies in a matter of minutes.

Examples of procedures with which we have had prior success include the following:

- GAP sequence detection in check runs
- Test of employee salary to contract
- Employee pay after termination date
- Detection of missing purchase orders
- Duplicate vendor payments
- Cross check of vendor addresses to employee addresses


By incorporating these comprehensive procedures along with others, we will be able to minimize the risk of not detecting material errors in the financial statements. We can provide assurance based on sound and thorough testing of records.

Rocky Point Union Free School District

REQUIRED STATEMENTS

To the best of our knowledge:

1. D'Arcangelo & Co., LLP does not have any members of the Firm that have a potential conflict of interest in providing services to Rocky Point Union Free School District.
2. D'Arcangelo & Co., LLP affirms that all staff who will be assigned to this project has met all the continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office (GAO) standards.
3. Our Firm is independent of Rocky Point Union Free School District by the AICPA, auditing standards generally accepted in the United States of America, and the U.S. General Accounting Office's, Government Auditing Standards.
4. Our Firm and assigned Certified Public Accountant professionals are licensed to practice in the State of New York.
5. D'Arcangelo & Co., LLP does not have record of substandard audit work.
6. There has been no regulatory action taken within the last 5 years by an oversight body or professional organization against the Firm or staff members.


_____, CPA, CIA
Signature

Partner

Title

Rocky Point Union Free School District

SCHEDULE OF AUDIT HOURS

Our fees are based on the number of hours required to complete an assignment. It should be noted that our quotations assume assistance in preparing supporting schedules and providing personnel to assist in locating supporting documents, pulling folders, etc. Any schedules and supporting documentation we anticipate being provided by management will be outlined in our detailed planning memorandum.

Our distribution of hours by staff level has been estimated based on the expected time it will take to complete each phase of the audit engagement. We have used past experience with similar clients and anticipated support of the District's business office to determine our estimates.

Additional procedures required to be performed periodically by the Board of Education that extend beyond the scope of the audit have also been incorporated within our estimates.

<u>Engagement Phase</u>	<u>Estimated Hours</u>			<u>Total</u>
	<u>Partner</u>	<u>Senior</u>	<u>Staff</u>	
Planning	15	25	10	50
Field Work	55	110	85	250
Reporting and Meetings	<u>20</u>	<u>10</u>	<u>5</u>	<u>35</u>
Total Hours	<u>90</u>	<u>145</u>	<u>100</u>	<u>335</u>

Rocky Point Union Free School District

FORM C – STATEMENT OF FEES

Our professional fee for audit services requested is based on the estimated number of hours by staff level at our blended hourly rates. We estimate that the total number of hours for the engagement should not exceed 335 hours. As requested, the proposed fee covers follow-up work, rectifying deficiencies with cognizant agencies and consultation to the organization throughout the term of the agreement.

The following audit fees are based on an audit in accordance with current generally accepted auditing standards, Government Auditing Standards, and Uniform Guidance. Professional fees submitted by D’Arcangelo & Co., LLP for all services requested is a **maximum not-to-exceed** and is based on the estimated number of hours by staff level by our blended hourly rates.

<u>For the Year Ended</u>	<u>Professional Fees</u>
June 30, 2017	\$ 36,850
June 30, 2018	\$ 37,600
June 30, 2019	\$ 38,350
June 30, 2020	\$ 39,100
June 30, 2021	\$ 39,850

Submitted by:

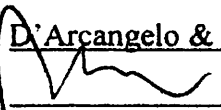
Company:

Signature (Authorized):

Signature (Typed):

Title:

Date:

D’Arcangelo & Co., LLP

CPA, CIA
Roy J. (Chip) Clark, CPA, CIA, CGMA
Partner
August 17, 2016

Rocky Point Union Free School District

SCHEDULE OF COMPENSATION BY TITLE

	<u>Hourly Rate</u>
Partners	\$ 225
Senior In-charge	\$ 115
Staff	\$ 95



Smith Elliott Kearns & Company, LLC
1100 North Washington Street, Suite 200
Hagerstown, Maryland 21740-3000
Phone: 410.326.1000
Fax: 410.326.1001
www.sekandco.com

SYSTEM REVIEW REPORT

To the Partners of D'Arcangelo & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of D'Arcangelo & Co., LLP (the firm) applicable to non-SEC issuers in effect for the year ended September 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of D'Arcangelo & Co., LLP applicable to non-SEC issuers in effect for the year ended September 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies* or *fail*. D'Arcangelo & Co., LLP has received a peer review rating of *pass*.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
November 21, 2013

SHOREHAM-WADING RIVER CENTRAL SCHOOL DISTRICT

250B Route 25A, Shoreham, New York 11786-2192

(631) 821-8100

(631)929-3001 (fax)

Website: www.swrschools.org

email: boe@swr.k12.ny.us

Neil Lederer
Interim Superintendent of Schools

Brian K. Heyward
Asst. Supt. for Human Resources

Glen Arcuri
Asst. Supt. for Finance and Operations

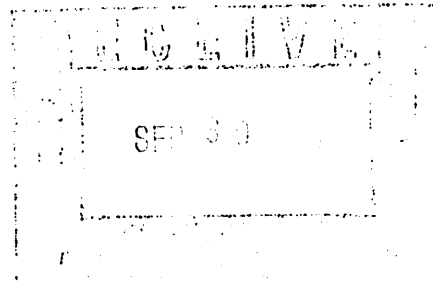
Alan Meinster
Asst. Supt. for Curriculum, Instruction and Assessment

Angelo Andreotti
Director of Facilities III

Charles M. Althoff
Director of Student Services

September 28, 2016

Ms. Andrea Moscatiello
Director of Special Education
Rocky Point Union Free School District
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778



Dear Ms. Moscatiello:

Enclosed please find two original contracts between Shoreham-Wading River Central School District and Rocky Point UFSD for the education of four of your students who are cross-contracted with Shoreham-Wading River CSD, for the 2016-2017 school year.

Please have the contract signed by your school's board representative and return to me at *Shoreham-Wading River Central School District, 250B Route 25A, Shoreham, NY 11786.*

Once the contracts have been approved by Shoreham-Wading River's Board of Education, a fully executed contract will be returned to you for your records.

If you have any questions, please feel free to call me at (631) 821-8114.

Sincerely,

Charles M. Althoff

Charles M. Althoff
Director of Student Services

Enclosures
CMA/ao

Board of Education:

John Zukowski, President ~ Robert Rose, Vice President
Jack Costas, Trustee ~ Michael Fucito, Trustee ~ Michael Lewis, Trustee
William J. McGrath, Trustee ~ Kimberly Roff, Trustee

**SHOREHAM WADING RIVER CENTRAL SCHOOL DISTRICT
ADMINISTRATIVE OFFICE
250B ROUTE 25A
SHOREHAM, NY 11786**

SPECIAL EDUCATION INSTRUCTIONAL SERVICES AGREEMENT

This Agreement is entered into this 1st^d day of September 2016, by and between the Board of Education of the SHOREHAM-WADING RIVER CENTRAL SCHOOL DISTRICT (hereinafter "RECEIVING DISTRICT"), having its principal place of business for the purpose of this Agreement at 250B Route 25A, Shoreham New York 11786 and ROCKY POINT UNION FREE SCHOOL DISTRICT (hereinafter "SENDING DISTRICT"), having its principal place of business for the purpose of this Agreement at 90 Rocky Point-Yaphank Road, Rocky Point, NY 11778.

WITNESSETH

WHEREAS the SENDING DISTRICT is authorized under the Education Law to contract with other school districts within the State of New York for the instruction of students with disabilities in those situations where the SENDING DISTRICT is unable to provide for the education of such students with disabilities in special classes in the schools of the SENDING DISTRICT; and

WHEREAS, the RECEIVING DISTRICT is a school district within the State of New York authorized to provide special education and related services to students with disabilities;

NOW, THEREFORE, the parties mutually agree as follows:

A. TERM:

1. The term of this Agreement shall be from September 1, 2016 through June 30, 2017, inclusive, unless terminated early as provided for in this Agreement. It is understood that the SENDING DISTRICT is under no obligation to renew this Agreement upon its expiration.

B. CONDITIONS:

In performing services specified in this Agreement, it is understood that:

1. This Agreement, and any amendments to this Agreement, will not be in effect until agreed to in writing and signed by authorized representatives of both parties.
2. The RECEIVING DISTRICT agrees to defend, indemnify and hold harmless the SENDING DISTRICT, its officers, directors, agents, or employees against all claims, costs, damages and expenses, including attorneys' fees, judgments, fines

and amounts arising from any willful act, error or negligence of the RECEIVING DISTRICT, its officers, directors, agents or employees in relation to the performance of this Agreement.

3. The SENDING DISTRICT agrees to defend, indemnify and hold harmless the RECEIVING DISTRICT, its officers, directors, agents, or employees against all claims, costs, damages and expenses, including attorneys' fees, judgments, fines and amounts arising from any willful act, error or negligence of the SENDING DISTRICT, its officers, directors, agents or employees in relation to the performance of this Agreement.

C. SERVICES AND RESPONSIBILITIES:

1. The RECEIVING DISTRICT agrees to provide instructional services, excluding any and all transportation services, to those students specified in the attached Addendum "A", incorporated by reference herein and made a part of this Agreement, in accordance with their IEP for the applicable school year.
 - a. A student(s) may be added or deleted from the attached Schedule A only by an agreement, in writing, signed by authorized representatives from both parties. In the event that a student(s) is/are added or deleted during the term of this Agreement, the payment amount owed by the SENDING DISTRICT shall be adjusted accordingly.
2. All services provided by the RECEIVING DISTRICT to students under this Agreement shall be in accordance with each student's Individualized Education Program (IEP), as it may be modified from time to time.
 - a. Prompt notice shall be given by the SENDING DISTRICT to the RECEIVING DISTRICT upon any modification of a student's IEP.
 - b. The SENDING DISTRICT shall obtain whatever releases, prescriptions, or other legal documents necessary for the RECEIVING DISTRICT to implement the IEP.
3. The RECEIVING DISTRICT shall perform all services under this Agreement in accordance with all applicable Federal, State and local laws, rules, and regulations, as well as established policy guidance from the New York State Education Department.
4. The RECEIVING DISTRICT shall provide conscientious, competent, and diligent services throughout the term of this Agreement.

5. The RECEIVING DISTRICT agrees to make relevant personnel available to participate in meetings of the SENDING DISTRICT's Committee on Special Education (CSE), where appropriate, upon reasonable prior notice to the RECEIVING DISTRICT of such meetings.
6. The RECEIVING DISTRICT shall perform background checks and fingerprinting of all staff directly providing services to students, and comply with all provisions of the Safe Schools Against Violence in Education (SAVE) Act. The RECEIVING DISTRICT shall provide the SENDING DISTRICT with the appropriate proof of clearance for employment by the New York State Education Department.
7. The SENDING DISTRICT shall obtain releases or other legal documents necessary for the RECEIVING DISTRICT to render full and complete reports concerning the education and progress of the student(s) covered by the terms of this Agreement. The RECEIVING DISTRICT will render such reports to the SENDING DISTRICT at the same time that such reports are made to the parent(s) of student(s) covered by the terms of this Agreement.
8. The SENDING DISTRICT shall have the right to examine any or all records or accounts maintained by the RECEIVING DISTRICT in connection with this Agreement.
9. Upon reasonable prior written notice, the RECEIVING DISTRICT shall be subject to visitation by the SENDING DISTRICT and/or its designated representatives during the normal business hours of the RECEIVING DISTRICT.
10. In the event that the parent or person in parental relation to a student(s) receiving services pursuant to this Agreement initiates litigation in connection with such services, the RECEIVING DISTRICT shall promptly give written notice of same to the SENDING DISTRICT.

D. REPRESENTATIONS:

1. The RECEIVING DISTRICT represents that all services under this Agreement will be provided by individuals who are of good character, who are in good professional standing, and who possess current and valid licenses/certifications necessary to perform the services under this Agreement. The RECEIVING DISTRICT represents that no individuals providing services under this Agreement are currently charged, nor in the past have been charged with any relevant criminal or professional misconduct or incompetence. Upon the execution of this Agreement, the RECEIVING DISTRICT shall provide copies of required licenses/certifications of all professionals providing services to student(s) under this Agreement.

2. In the event that the required license/certification of any agent or employee of the RECEIVING DISTRICT providing services under this Agreement is revoked, terminated, suspended, or otherwise impaired, the RECEIVING DISTRICT shall immediately notify the SENDING DISTRICT in accordance with the requirements for all notices pursuant to this Agreement set forth below.

E. COMPENSATION:

1. The RECEIVING DISTRICT shall be entitled to recover tuition from the SENDING DISTRICT for each student receiving services pursuant to this Agreement in accordance with the actual cost of providing services to the student as outlined in such student's individualized education program. The sending District shall be responsible for paying for contracted services directly to the provider (OT, PT, ABA, etc.).
2. Requests for payment by the RECEIVING DISTRICT shall be made by submission of a detailed written invoice to the SENDING DISTRICT which references the time period for which payment is being requested and a breakdown of the total amount due for the period specified. A copy of the tuition worksheet shall accompany each invoice.
3. The SENDING DISTRICT shall pay the RECEIVING DISTRICT within thirty (30) days of receipt of each invoice by the SENDING DISTRICT.

F. INSURANCE:

1. The RECEIVING DISTRICT, at its sole expense, shall procure and maintain such policies of comprehensive general liability, malpractice and other insurance as shall be necessary to insure the SENDING DISTRICT (and the Board of Education) as additional insured, against any claim for liability, personal injury, or death occasioned directly or indirectly by the RECEIVING DISTRICT, its officers, agents, or employees in connection with the performance of the RECEIVING DISTRICT'S responsibilities under this Agreement; each such policy shall provide a minimum coverage of One Million (\$1,000,000.00) Dollars in the event of injury or death to one person, and Three Million (\$3,000,000.00) Dollars in the event of injury or death to more than one person as the result of the same incident.
2. The insurance is to be underwritten by a licensed and/or admitted New York State Insurer with a minimum Bests rating of A-minus.
3. There should be a thirty (30) day written notice to the SENDING DISTRICT in the event of cancellation or non-renewal.

4. Upon request, the RECEIVING DISTRICT shall supply the SENDING DISTRICT with a copy of said policy / policies.

G. TERMINATION:

1. Either the SENDING DISTRICT or the RECEIVING DISTRICT may terminate this Agreement upon thirty (30) days prior written notice to the other party. Such notice shall be given in accordance with the requirements for all notices pursuant to this Agreement set forth below.
2. The parties agree that either party's failure to comply with any terms or conditions of this Agreement will provide a basis for the other party to immediately terminate this Agreement without any further liability to the party which violated the Agreement.
3. In the event the SENDING DISTRICT or the RECEIVING DISTRICT terminates this Agreement with or without cause, such termination of the Agreement shall not discharge the parties' existing obligations to each other as of the effective date of termination.

H. NOTICES

1. All notices which are required or permitted under this Agreement shall be in writing, and shall be deemed to have been given if delivered personally or sent by registered or certified mail, addressed as follows:

RECEIVING DISTRICT:

Mr. Charles M. Althoff
Director of Student Services
SHOREHAM-WADING RIVER CENTRAL SCHOOL DISTRICT
250B Route 25A
Shoreham, NY 11786

SENDING DISTRICT:

ROCKY POINT UNION FREE SCHOOL DISTRICT
90 Rocky Point -Yaphank Road
Rocky Point, NY 11778

I. SUCCESSORS AND ASSIGNS:

1. It is expressly understood that this Agreement shall not be assigned or transferred without prior written consent of the other party.

J. WAIVER OF RIGHTS

1. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce every provision of this Agreement.

K. SEVERABILITY

1. Should any provision of this Agreement, for any reason, be declared invalid and/or unenforceable, such decision shall not effect the validity of the remaining provisions of this Agreement. Such remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid provision(s) eliminated.

L. GOVERNING LAW

1. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with, and governed by, the laws and regulations of the State of New York and applicable Federal laws and regulations

M. ENTIRE AGREEMENT:

1. This Agreement, along with the attached "Schedule A," is the complete and exclusive statement of the Agreement between the parties, and supersedes all prior or contemporaneous, oral or written: proposals, understandings, representations, conditions or covenants between the parties relating to the subject matter of the Agreement.
2. This Agreement may not be changed orally, but only by an agreement, in writing, signed by authorized representatives of both parties.

Estimated Tuition for Four (4) Rocky Point Student's for the 2016-17 School Year (ten month program) \$260,916.00

September 20, 2016
Rocky Point School District
Dr. Michael Ring, Superintendent of Schools
90 Rocky Point-Yaphank Road
Rocky Point NY 11778

82 RTE 25A
P.O. Box 932
Shoreham, NY 11786
Tel: 631 744 2204

Dear Dr. Ring

In reference to your school transportation provided by First Student to the Rocky Point Public Schools, we would like to extend the Regular Home to School Transportation, Field/Athletic Trips, and Summer Transportation contracts for the 2017 -2018 school year. First Student will renew these contracts at the maximum C.P.I. or whatever measure of index is in place and recognized by the New York State Education Department for annual contract increases for each year.

In addition the annual credit will stay in place for the 2017-2018 school year.

Annual Credits - \$42,700.00 monthly credit plus \$25,000.00 = \$67,700.00 monthly

Total Annual savings \$677,000.00 over 10 monthly credits

It is understood the above credits can be applied to any of the above contracts at the discretion of the district.

Rocky Point Public Schools and First Student are in agreement to continue with the language changes in the performance bond requirement, operating matters and dormant fuel clause as outlined in the original letter of understanding dated June 1, 2004.

If you have any further questions or concerns, please do not hesitate to call. If you are agreeable with the extension of the aforementioned contracts and terms, please execute below and return this letter to us at your earliest convenience.

Thank you.

Sincerely



Thomas P. McEnany, AGM

Signature

Title

Dated



Sachem Central School District

KENNETH E. GRAHAM, ED.D.
SUPERINTENDENT OF SCHOOLS

Ronald G. Sacks
School Business Administrator
Samoset Administrative Offices
51 School Street
Lake Ronkonkoma, NY 11779
(631) 471-1352
FAX (631) 471-1318

September 23, 2016

Kristen White, Special Education Coordinator
Rocky Point School District
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778

**RE: INSTRUCTIONAL SERVICES AGREEMENT FOR SPECIAL
EDUCATION CROSS CONTRACTED TUITION – 2016-2017**

Dear Ms. White,

Enclosed please find **two** original Instructional Services Agreements for a Rocky Point resident student receiving special education instructional services in the Sachem Central School District for the 2016-2017 school year. The agreement was approved by our Board of Education on September 21, 2016. *Please execute with the proper signature, return one copy to my attention and retain one for your files.*

If you have any questions or concerns, please do not hesitate to contact me or Laura Hollander at (631) 471-1352.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ron Sacks".

Ronald Sacks
School Business Administrator

Enc.
RGS:lh



INSTRUCTIONAL SERVICE AGREEMENT
SPECIAL EDUCATION CROSS CONTRACTED TUITION

THIS AGREEMENT made this 1st day of JULY, 2016 by and between BOARD OF EDUCATION, ROCKY POINT UNION FREE SCHOOL DISTRICT (hereinafter referred to as the "SENDING SCHOOL DISTRICT"), as the party of the first part, having its principal place of business located at 90 ROCKY POINT-YAPHANK, ROCKY POINT, NY 11778, and BOARD OF EDUCATION, SACHEM CENTRAL SCHOOL DISTRICT (hereinafter referred to as the "RECEIVING SCHOOL DISTRICT"), as the party of the second part, having its principal place of business for purposes of this Agreement at 51 SCHOOL STREET, LAKE RONKONKOMA, NY 11779.

WITNESSETH:

WHEREAS, pursuant to Education Law § 4402 (2)(b)(2), the SENDING SCHOOL DISTRICT is authorized by law to contract with other public school districts for special education programs and services for students resident in its own district and in need of such services.

WHEREAS, the SENDING SCHOOL DISTRICT desires that RECEIVING SCHOOL DISTRICT provide instruction to the students enrolled in the program operated by RECEIVING SCHOOL DISTRICT; and

WHEREAS, RECEIVING SCHOOL DISTRICT warrants that it has reviewed the individualized education program ("IEP") of each pupil to be enrolled in its program, and represents that it will provide the level of services identified in the IEP to meet the needs of such children; and

WHEREAS, RECEIVING SCHOOL DISTRICT is capable of and willing to provide the within services to the SENDING SCHOOL DISTRICT.

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto mutually agree as follows:

1. **TERM OF AGREEMENT:** This Agreement shall be in effect for the period *SEPTEMBER 1, 2016 to JUNE 30, 2017*, unless terminated earlier, as set forth herein.
2. **SCOPE OF SERVICES:** During the term of this Agreement, the Receiving School District shall provide a special education program and/or services to the following student:

DOB: *SACHEM EAST HIGH SCHOOL*

RECEIVING SCHOOL DISTRICT shall provide adequate instruction, related services and/or a facility to the student listed above during the school year. The education provided by RECEIVING SCHOOL DISTRICT shall be appropriate to the mental ability and physical condition of the children, and in accordance with Commissioner's Regulations, all applicable Federal, State and local statutes, rules and ordinances. The RECEIVING SCHOOL DISTRICT agrees to provide services in accordance with the State Education Department's regulations, using only professionals certified by the New York State Education Department. The RECEIVING SCHOOL DISTRICT agrees to provide the student who is the subject of this Agreement with the following special education program(s) and/or related service(s) in accordance with the student's Individualized Education Plan ("IEP").

In the event that the SENDING SCHOOL DISTRICT, upon the recommendation of its CSE, wishes to modify the instructional program and/or related services (i.e. type, frequency and/or location) provided to the student during the term of the Agreement, the SENDING SCHOOL DISTRICT shall present its request for such modification(s) to the RECEIVING SCHOOL DISTRICT. The RECEIVING SCHOOL DISTRICT shall review such request and shall determine whether it is able to meet such request. The RECEIVING SCHOOL DISTRICT shall notify the SENDING SCHOOL DISTRICT of its determination within ten (10) business days and shall advise same of any changes in cost associated with any modification(s) made to the program and/or services. Any agreement with respect to an increase or decrease in related services or change of program shall be in writing and shall be made an addendum to this Agreement.

3. **PAYMENT SCHEDULE:** In full consideration for the program and/or services set forth in paragraph 2 above, the SENDING SCHOOL DISTRICT agrees to pay to the RECEIVING SCHOOL DISTRICT the following sums:

New York State Non-Resident Tuition Rate (the estimated NRT Rate for 2015-2016 is currently \$51,366 for grades K-6 and \$53,018 for grades 7-12) as determined by the New York State Education Department. The parties understand that the projected rate is subject to change in accordance with Part 174 of the Regulations of the Commissioner of Education. In the event that the tuition rate is changed for the term of this Agreement, the amount of tuition which the SENDING SCHOOL DISTRICT is required to pay shall be increased or decreased to reflect the adjusted tuition rate for the relevant period of each student's attendance.

Requests for payment by the RECEIVING SCHOOL DISTRICT shall be made by submission of a detailed written invoice to the SENDING SCHOOL DISTRICT which references the period for which payment is being requested and a breakdown of the total amount due for the period specified.

SENDING SCHOOL DISTRICT reserves the right to add or delete a child from the list of the children covered by this Agreement at any time during the school term. Enrollment for any period less than one (1) month shall be prorated. Any overpayments will be reimbursed by RECEIVING SCHOOL DISTRICT to the SENDING SCHOOL DISTRICT.

4. **INVOICE DUE:** Payment to RECEIVING SCHOOL DISTRICT shall be made within *thirty (30) days from receipt of invoice* from RECEIVING SCHOOL DISTRICT.

5. **INDEPENDENT CONTRACTOR:** All employees of RECEIVING SCHOOL DISTRICT shall be deemed employees of RECEIVING SCHOOL DISTRICT for all purposes and RECEIVING SCHOOL DISTRICT alone shall be responsible for their work, personal conduct, direction, and compensation. RECEIVING SCHOOL DISTRICT acknowledges that it will not hold itself, its officers, employees and/or agents out as employees of SENDING SCHOOL DISTRICT. RECEIVING SCHOOL DISTRICT is retained by SENDING SCHOOL DISTRICT only for the purposes and to the extent set forth in this Agreement, and its relationship to SENDING SCHOOL DISTRICT shall, during the periods of its services hereunder, be that of an independent contractor.

6. **SAVE LEGISLATION:** RECEIVING SCHOOL DISTRICT understands and agrees that it is responsible for complying with all applicable Federal, State, local statutes, rules, and ordinances including the New York State Safe Schools Against Violence in Education (SAVE) legislation. RECEIVING SCHOOL DISTRICT shall adhere to all requirements and protocols as established by SENDING SCHOOL DISTRICT and the State Education Department of New York: to wit,

but not limited to, fingerprinting. RECEIVING SCHOOL DISTRICT further agrees and understands that all individuals providing services under this Agreement must be cleared by the New York State Education Department in accordance with the provisions contained in the SAVE Legislation prior to providing services to SENDING SCHOOL DISTRICT.

7. **ATTENDANCE RECORDS:** RECEIVING SCHOOL DISTRICT shall maintain monthly attendance records which shall be submitted to SENDING SCHOOL DISTRICT at the end of each month. If a child has been absent for a period of five (5) or more consecutive days, the attendance record shall indicate the reason for that absence.

8. **REPORTS OF STUDENTS:** RECEIVING SCHOOL DISTRICT shall obtain whatever releases or other legal documents that are necessary in order that RECEIVING SCHOOL DISTRICT may render full and complete reports concerning the education and progress of the pupil(s) covered by the terms of this Agreement.

9. **REPORTS TO STATE:** RECEIVING SCHOOL DISTRICT hereby agrees to furnish to the State all reports, audits, etc. required to make determinations as to eligibility under the provisions of the Regulations of the Commissioner of Education. Such materials shall be furnished at such times as are required by the State. RECEIVING SCHOOL DISTRICT agrees to provide the State access to all relevant records which the State requires to determine either RECEIVING SCHOOL DISTRICT's or SENDING SCHOOL DISTRICT's compliance with applicable Federal or State statutes or regulations with the effect of law, which regulate either the execution of the Agreement or the performance of obligations under the Agreement. RECEIVING SCHOOL DISTRICT agrees to retain all materials and records relevant to the execution or performance of the Agreement in accordance with the provision of section 74.21 of volume 34 of the Code of Federal Regulations, but in no event less than six (6) years from the date of this Agreement.

10. **REPORTS TO SCHOOL DISTRICT:** RECEIVING SCHOOL DISTRICT hereby agrees to furnish written reports of each pupil's educational progress to SENDING SCHOOL DISTRICT. RECEIVING SCHOOL DISTRICT will render such reports to SENDING SCHOOL DISTRICT at any time that such reports are made to the parents of the pupil(s) covered by the terms of this Agreement, and will render such additional reports as may be required by the SENDING SCHOOL DISTRICT. At a minimum, all reports shall be furnished at the end of each semester, i.e., January 31st and June 30th. Any and all reports shall be furnished upon termination of the Agreement. RECEIVING SCHOOL DISTRICT shall provide such additional information concerning the pupil's progress as may be required by SENDING SCHOOL DISTRICT.

11. **COMMISSIONER VISITS:** RECEIVING SCHOOL DISTRICT shall be subject to the visitation of the Commissioner of Education or his/her designated representative(s).

12. **AUTHORIZATION OF SCHOOL DISTRICT:** RECEIVING SCHOOL DISTRICT shall coordinate all instruction through the Pupil Personnel Services Office or any other authorized office of SENDING SCHOOL DISTRICT.

13. **STUDENT REMOVAL:** SENDING SCHOOL DISTRICT shall have the right to add or remove a child from the program/services at any time during the school year. Payment for children added or removed shall be prorated for the period of time services were provided to the child.

14. **STUDENT DISCIPLINE:** RECEIVING SCHOOL DISTRICT agrees that all disciplinary measures for disabled students will be conducted in accordance with applicable Federal, State and local laws, rules and regulations.

15. **STUDENT TRANSPORTATION:** The SENDING SCHOOL DISTRICT shall be responsible for providing all students subject to this Agreement with transportation to and from school.

16. **STUDENT PRESCRIPTIONS:** Where applicable, SENDING SCHOOL DISTRICT shall obtain all medical prescriptions from the parent/guardian of students referred to RECEIVING SCHOOL DISTRICT. SENDING SCHOOL DISTRICT shall forward copies of these prescriptions to RECEIVING SCHOOL DISTRICT upon its written request.

17. **TERMINATION NOTICE:** This Agreement may be terminated by either party upon thirty (30) days written notice to the other party. In the event of such termination, the parties will adjust the accounts due and payable to RECEIVING SCHOOL DISTRICT for services rendered. RECEIVING SCHOOL DISTRICT will not incur any additional expenses upon receipt of SENDING SCHOOL DISTRICT's notification that RECEIVING SCHOOL DISTRICT's services have been terminated. Upon any such termination, the parties shall endeavor in an orderly manner to wind down activities hereunder. In the event of termination, all reports and services due to SENDING SCHOOL DISTRICT must be completed by RECEIVING SCHOOL DISTRICT within thirty (30) days of the termination date.

18. **CONFIDENTIALITY:** RECEIVING SCHOOL DISTRICT, its employees, and/or agents agree that all information obtained in connection with the services provided for in this Agreement is deemed confidential information. RECEIVING SCHOOL DISTRICT, its employees, and/or agents shall not use, publish, discuss, disclose or communicate the contents of such information, directly or indirectly with third parties, except as is necessary to carry out the services for this Agreement.

19. **HIPAA:** Both parties to this Agreement understand that they may receive and/or come into contact with *protected health information* as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Parties hereby acknowledge their respective responsibilities pursuant to HIPAA and, if necessary, shall execute a Business Associate Agreement in connection with such responsibilities.

20. **INDEMNIFICATION and HOLD HARMLESS PROVISION:** Both parties further agree that they shall defend, indemnify and hold harmless the other party to the agreement including its officers, directors, agents and employees for all loss, costs, damages and expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with a terminated, pending or completed action, suit or proceeding arising from any act, error or omission, misstatement, misleading statement, neglect or breach of duties by either party to the agreement or any of its officers, directors, agents or employees taken or made with respect to this Agreement.

21. **INSURANCE PROVISION:** RECEIVING SCHOOL DISTRICT shall purchase from and maintain in a company lawfully licensed to do business in the State of New York such insurance as will protect RECEIVING SCHOOL DISTRICT and SENDING SCHOOL DISTRICT from claims set forth below for which RECEIVING SCHOOL DISTRICT may be legally liable. The policy shall:

- a. Be purchased from an A.M. Best rated "secured" insurer, authorized to conduct business in New York State.

- b. Contain a 30-day notice of cancellation.
- c. Required Insurance:
 - i. Commercial General Liability Insurance: \$1,000,000 per occurrence/ \$2,000,000 aggregate.
 - ii. Automobile Liability: \$1,000,000 combined single limit for owned, hired and borrowed and non-owned motor vehicles.
 - iii. Workers' Compensation and N.Y.S. Disability: Statutory Workers' Compensation, Employers' Liability and N.Y.S. Disability Benefits Insurance for all employees.
 - iv. Professional Errors and Omissions Insurance: \$2,000,000 per occurrence/ \$2,000,000 aggregate for the professional acts of the RECEIVING SCHOOL DISTRICT performed under the contract for SENDING SCHOOL DISTRICT.
 - v. Excess Insurance: \$1,000,000 each occurrence and aggregate. Excess coverage shall be on a follow-form basis.

22. **NOTICES:** Any notices to be given under this Agreement by either party to the other may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of two (2) days after mailing. Notice shall be delivered or mailed to:

**SACHEM CENTRAL SCHOOL DISTRICT
ADMINISTRATIVE OFFICE
51 SCHOOL STREET
LAKE RONKONKOMA, NY 11779
ATTN: RONALD SACKS, SCHOOL BUSINESS ADMINISTRATOR**

**ROCKY POINT UNION FREE SCHOOL DISTRICT
90 ROCKY POINT-YAPHANK ROAD
ROCKY POINT, NY 11778
ATTN: KRISTEN WHITE, SPECIAL ED. COORDINATOR**

23. **ASSIGNMENT OF CONTRACT:** RECEIVING SCHOOL DISTRICT shall not assign, transfer or convey any of its respective rights or obligations under this Agreement without the prior written consent of SENDING SCHOOL DISTRICT.

24. **DISCRIMINATION:** Services provided pursuant to this Agreement shall be provided without regard to race, creed, color, sex, sexual orientation, national origin, religion, age or disability.

25. **GOVERNING LAW:** This Agreement shall be governed by the laws of the State of New York.

26. **SEVERABILITY:** If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect.

27. **NO PRIOR AGREEMENTS:** This Agreement constitutes the full and complete Agreement between SENDING SCHOOL DISTRICT and RECEIVING SCHOOL DISTRICT, and supersedes all prior written and oral agreements, commitments or understandings with respect thereto. This Agreement may not be altered, changed, added to, deleted from or modified except through the mutual written consent of the parties.

28. **AGREEMENT CONSTRUCTION:** This Agreement has been arrived at mutually and is not to be construed against any party hereto as being the drafter hereof or causing the same to be drafted.

29. **REPRESENTATIONS AND WARRANTIES:** RECEIVING SCHOOL DISTRICT represents and warrants: 1) that RECEIVING SCHOOL DISTRICT has no obligations, legal or otherwise, inconsistent with the terms of this Agreement; 2) that the performance of the services to be provided in this Agreement does not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party; and 3) that RECEIVING SCHOOL DISTRICT has not entered into or will not enter into any Agreement (whether oral or written) in conflict with this Agreement.

30. **AMENDMENT:** This Agreement may be amended only in writing and signed by the parties.

31. **NONWAIVER:** No action or failure to act by RECEIVING SCHOOL DISTRICT or SENDING SCHOOL DISTRICT shall constitute a waiver of a right or duty afforded them under the Agreement, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

32. **AUTHORITY TO ENTER AGREEMENT:** The undersigned representative of RECEIVING SCHOOL DISTRICT hereby represents and warrants that the undersigned is an officer, director, or agent of RECEIVING SCHOOL DISTRICT with full legal rights, power and authority to enter into this Agreement on behalf of RECEIVING SCHOOL DISTRICT and bind RECEIVING SCHOOL DISTRICT with respect to the obligations enforceable against RECEIVING SCHOOL DISTRICT in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

Date: 9-21-16

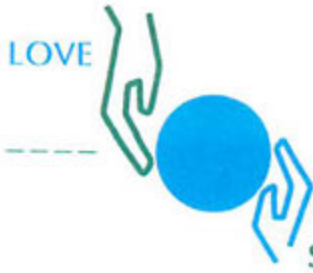
By: _____

ANTHONY FALCO, PRESIDENT
BOARD OF EDUCATION
SACHEM CENTRAL SCHOOL DISTRICT

Date: _____

By: _____

_____, PRESIDENT
(print)
BOARD OF EDUCATION
ROCKY POINT UNION FREE SCHOOL DISTRICT



Cleary School for the Deaf

301 Smithtown Boulevard, Nesconset, New York 11767-2077
www.clearyschool.org

631-588-0530 (V & TTY)
631-588-0016 FAX

September 1, 2016

Rocky Point Union Free School District
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778

Dear District Officer:

Enclosed please find two copies of the 2016-17 agreement between Cleary School for the Deaf and the Rocky Point Union Free School District executed by Jacqueline Simms, Executive Director. Please return one copy to us after it is approved by your Board.

Please let me know if you should you need any further information. Thank you.

Regards,

Kathryn Federkiel
Director of Business Operations
Cleary School for the Deaf
P – 631-580-0530 x237
F – 631-588-0585
Email: kfederkiel@clearyschool.org

SERVICE AGREEMENT 4201 SCHOOL

THIS AGREEMENT made this 1st day of September, 2016 by and between BOARD OF EDUCATION, **Rocky Point Union Free School District** (hereinafter referred to as the "SCHOOL DISTRICT"), having its principal place of business located at **90 Rocky Point-Yaphank Road, Rocky Point, NY 11778**, and the Cleary School for the Deaf hereinafter referred to as the "SERVICE PROVIDER" having its principal place of business for purposes of this Agreement at 301 Smithtown Blvd., Nesconset NY 11767

WITNESSETH:

WHEREAS, School Districts are authorized by law to contract with institutions within the State of New York for the instruction of disabled children in those situations where the School District is unable to provide for the education of certain or all disabled children in classes in the public schools; and

WHEREAS, SERVICE PROVIDER is a school chartered by the Board of Regents of the University of the State of New York pursuant to § 4201 of the New York State Education Law and as such is authorized to establish, conduct, operate and maintain an educational program for children who are Deaf; and

WHEREAS, the School District desires that SERVICE PROVIDER provide instruction and/or as applicable, residential facilities to the students enrolled in the program(s) operated by SERVICE PROVIDER; and

WHEREAS, SERVICE PROVIDER warrants that it has reviewed the individualized education program ("IEP") of each pupil to be enrolled in its program(s), and represents that it will provide the level of services identified in the IEP to meet the needs of such children; and

WHEREAS, SERVICE PROVIDER is capable of and willing to provide the within services in accordance with the students' IEPs to the School District.

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the parties hereto mutually agree as follows:

1. **TERM OF AGREEMENT**: This Agreement shall be in effect for the period of July 1, 2016 to June 30, 2017 unless terminated earlier, as set forth herein.

2. **SCOPE OF SERVICES**:

a. SERVICE PROVIDER shall provide adequate instruction, related services and/or a facility to students listed in Appendix A during the school year. The education provided by SERVICE PROVIDER shall be appropriate to the mental ability and physical condition of the children, and in accordance with Commissioner's Regulations, all applicable Federal, State and local statutes, rules and ordinances. SERVICE PROVIDER agrees to provide services in accordance with the State Education Department's regulations, using only professionals/ service providers certified by the New York State Education Department. All services shall be provided in strict compliance with the student's IEP. SERVICE PROVIDER further agrees that all disciplinary measures for

disabled students will be conducted in accordance with applicable Federal, State and local laws, rules and regulations.

SERVICE PROVIDER shall provide the following services, consisting of, but not limited to, the following:

- i. Services based on individual student IEPs;
- ii. The implementation of goals and objectives for the educational services provided as per each individual student's IEP;
- iii. The completion of progress reports regarding student achievement of objectives as per report card schedules;
- iv. Provide the Committee on Special Education (CSE/CPSE) with annual progress reports for each individual student receiving service to be reviewed at each student's CSE/CPSE meeting;
- v. Complete evaluations as per the request of the Director of Special Education on an as needed basis;
- vi. Comply with any testing requirements upon notification of such review dates.

3. PAYMENT SCHEDULE:

a. In full consideration for the educational services to be rendered by SERVICE PROVIDER to the School District for the period of this Agreement, the School District will pay to SERVICE PROVIDER, for each child, at the rate of of Ninety One Thousand Two Hundred Sixty and 00/100 (\$91,260.000) per 10 month period, which is per pupil charge (PPC) set by the Commissioner of the New York State Education Department. The billing schedule shall be as follows:

Invoices will be submitted on a monthly basis.

If the PPC for this school year is not available at the beginning of this school year, the SCHOOL DISTRICT shall pay the PPC applicable to the previous school year until new PPC is set, at which time the parties shall adjust future tuition payments so that SERVICE PROVIDER will be paid in accordance with the rates applicable to that current school year. The SCHOOL DISTRICT shall retroactively pay SERVICE PROVIDER any underpayment for that current school year in accordance with the new PPC or any overpayments will be reimbursed by SERVICE PROVIDER to the SCHOOL DISTRICT for that current school year.

b. SCHOOL DISTRICT shall be responsible for payment of the tuition as provided for in this Agreement as long as the child is enrolled in SERVICE PROVIDER's program(s) or until such time as the student is withdrawn from such program(s) in accordance with the termination provision herein. SCHOOL DISTRICT reserves the right to add or delete a child from the list of the children covered by this Agreement at any time during the school term. Enrollment for any period less than one (1) month shall be prorated.

4. **INVOICE DUE ON MONTHLY BASIS:** SERVICE PROVIDER will submit an invoice for services rendered on a monthly basis, and payment to SERVICE PROVIDER shall be made within thirty (30) days from receipt of invoice from SERVICE PROVIDER. The invoice shall identify the names of the student(s) who received services. SCHOOL DISTRICT shall give

SERVICE PROVIDER notice of any invoice dispute within twenty (20) days of its receipt and reserves the right to withhold payment, but only as to the amount in dispute, pending the resolution of this dispute.

5. INDEPENDENT CONTRACTOR: All employees of SERVICE PROVIDER shall be deemed employees of SERVICE PROVIDER for all purposes and SERVICE PROVIDER alone shall be responsible for their work, personal conduct, direction, and compensation. SERVICE PROVIDER acknowledges that it will not hold itself, its officers, employees and/ or agents out as employees of SCHOOL DISTRICT. SERVICE PROVIDER is retained by SCHOOL DISTRICT only for the purposes and to the extent set forth in this Agreement, and its relationship to SCHOOL DISTRICT shall, during the periods of its services hereunder, be that of an independent contractor. SERVICE PROVIDER shall not be considered as having employee status and shall not be entitled to participate in any of SCHOOL DISTRICT's workers' compensation, retirement, fringe benefits, unemployment insurance, liability insurance, disability insurance, or other similar employee benefit programs. Similarly, SERVICE PROVIDER, its officers, its employees and/or agents shall not be considered as having employee status for the purposes of any other rights, privileges or benefits derived from employment by SCHOOL DISTRICT. SERVICE PROVIDER agrees that this Agreement does not confer benefits of any nature whatsoever upon it other than payment for services provided herein. SERVICE PROVIDER shall not assert any claim for additional benefits of any nature, including, but not limited to, unemployment compensation benefits, by reason of the services to be performed pursuant to this Agreement. SERVICE PROVIDER shall not be entitled to assert any claim to entitlements pursuant to any collective bargaining agreement now or hereafter in effect between SCHOOL DISTRICT and its employees.

6. EXPENSES OF SERVICE PROVIDER: SERVICE PROVIDER shall be responsible for all costs and expenses incurred by SERVICE PROVIDER that are incident to the performance of services for SCHOOL DISTRICT, including, but not limited to, all tools, vehicles, or other equipment to be provided by SERVICE PROVIDER, all fees, fines, licenses, bonds or taxes required of or imposed against SERVICE PROVIDER. SCHOOL DISTRICT shall not be responsible for any expenses not mandated by the IEP incurred by SERVICE PROVIDER in performing services for SCHOOL DISTRICT.

7. INCOME TAX DESIGNATION AND INDEMNIFICATION: SCHOOL DISTRICT shall not withhold from sums payable to SERVICE PROVIDER under this Agreement any amounts for Federal, State, or local taxes including Federal or State income taxes, employment taxes (including Social Security and Medicare taxes), and unemployment taxes. SERVICE PROVIDER agrees that any tax obligation of SERVICE PROVIDER arising from the payments made under this Agreement will be SERVICE PROVIDER's sole responsibility.

8. RESPONSIBILITY FOR PAYMENT OF SERVICES:

- a. No parent or guardian or any other person shall be required to make any payment for services on behalf of any child covered by this Agreement. SERVICE PROVIDER and its employees shall not share or accept any fee or gratuity from the patient or patient's family for service provided pursuant to this Agreement.

9. SCHOOL DISTRICT'S RIGHT TO EXAMINE ACCOUNTING RECORDS: SCHOOL DISTRICT shall have the right to examine any and all accounting records as they pertain to Students placed with SERVICE PROVIDER. For purposes of this Agreement, the definition and calculation of enrollment and attendance shall be determined by SCHOOL DISTRICT, in accordance with New York State Education Law § 4201 and pursuant to students' appointment by the Commissioner of Education.

10. LICENSE AND AUTHORIZATION: SERVICE PROVIDER warrants that it is duly authorized to perform the services as described herein. SERVICE PROVIDER warrants that it will provide SCHOOL DISTRICT with licensed and qualified individuals. SERVICE PROVIDER further represents that such services shall be performed by individuals that are licensed under the laws of the State of New York, inclusive of the State Education Department Licensing requirements or by persons otherwise qualified to provide services in accordance with all applicable laws and regulations. SERVICE PROVIDER shall certify that all such individuals possess documentation evidencing such license or other qualifications as required by Federal, State or local statutes, rules, regulations and orders. Where applicable, SERVICE PROVIDER agrees to submit to SCHOOL DISTRICT, upon request, proof of certification and/ or professional licensing of all individuals providing services to Medicaid eligible school aged students, 5-21 years old, classified with a disability or suspected of having a disability for Medicaid reimbursement purposes. SERVICE PROVIDER further agrees to complete and submit, upon the request of SCHOOL DISTRICT, all forms to document the evaluation and services provided to Medicaid eligible school aged students, 5-21 years old, classified with a disability or suspected of having a disability for Medicaid reimbursement purposes.

11. ATTENDANCE RECORDS: SERVICE PROVIDER shall maintain monthly attendance records which shall be submitted to SCHOOL DISTRICT at the end of each month upon request. If a child has been absent for a period of five (5) or more consecutive days, the attendance record shall indicate the reason for that absence.

12. REPORTS OF STUDENTS: SERVICE PROVIDER will obtain releases or other legal documents that are necessary in order that SERVICE PROVIDER may render full and complete reports concerning the education and progress of the pupil(s) covered by the terms of this Agreement. The full responsibility for obtaining such clearances rests on SERVICE PROVIDER. Any failure to carry out such responsibility once notice has been given shall permit the Commissioner of Education to withdraw approval for the placement of such child in such program, in which event this Agreement shall be canceled forthwith in regard to such child for whom such releases are not submitted.

13. REPORTS TO STATE: SERVICE PROVIDER hereby agrees to furnish to the State all reports, audits, etc. required to make determinations as to eligibility under the provisions of the Regulations of the Commissioner of Education. Such materials shall be furnished at such times as are required by the State. SERVICE PROVIDER agrees to provide the State access to all relevant records which the State requires to determine SERVICE PROVIDER's compliance with applicable Federal or State statutes or regulations with the effect of law, which regulate either the execution of the Agreement or the performance of obligations under the Agreement. SERVICE PROVIDER agrees to retain all materials and records relevant to the execution or performance of the Agreement in accordance with the provision of section 74.21 of volume 34 of the Code of Federal Regulations, but in no event less than six (6) years from the date of this Agreement.

14. REPORTS TO SCHOOL DISTRICT: SERVICE PROVIDER hereby agrees to furnish written reports of each pupil's educational progress to SCHOOL DISTRICT. SERVICE PROVIDER will render such reports to SCHOOL DISTRICT at any time that such reports are made to the parents of the pupil(s) covered by the terms of this Agreement, and will render such additional reports as may be reasonably required by the SCHOOL DISTRICT. At a minimum, all reports shall be furnished at the end of each semester, i.e., January 31st and June 30th. Any and all reports shall be furnished upon termination of the Agreement. SERVICE PROVIDER shall provide such additional information concerning the pupil's progress as may be reasonably required by SCHOOL DISTRICT.

15. COMMISSIONER VISITS: SERVICE PROVIDER shall be subject to the visitation of the Commissioner of Education or his/her designated representative(s).

16. AUTHORIZATION OF SCHOOL DISTRICT: SERVICE PROVIDER shall coordinate all instruction through the Pupil Personnel Services Office or any other authorized office of SCHOOL DISTRICT.

17. SCHOOL GROUNDS & RULES: It is understood and agreed that while on school grounds, SERVICE PROVIDER, its employees and/ or agents shall obey all SCHOOL DISTRICT rules and regulations and must follow all reasonable directives of SCHOOL DISTRICT's administrators and employees.

18. STUDENT REMOVAL: SCHOOL DISTRICT reserves the right to add or remove a child from the list of the children covered by this Agreement at any time during the year in accordance with the students' IEP and all applicable Federal and State laws and regulations. Payment for children added or removed shall be prorated for the period of time services were provided to the child. All appropriate statutory and regulatory notifications will be made by the SCHOOL DISTRICT including but not limited to SED.

19. NON-SOLICITATION CLAUSE: For the period of this Agreement and for one year after the termination of this Agreement the SCHOOL DISTRICT shall not hire or solicit for employment an employee of SERVICE PROVIDER, who was employed by SERVICE PROVIDER or who provides or provided services to a student residing within the SCHOOL DISTRICT, without the express written consent SERVICE PROVIDER's Chief Operating Officer.

20. TERMINATION NOTICE: This Agreement may be terminated by either party upon thirty (30) days written notice to the other party but in compliance with the students' IEP's and in accordance with all applicable Federal and State laws and regulations. All appropriate statutory and regulatory notifications that will be made by the SCHOOL DISTRICT including but not limited to SED.

21. CONFIDENTIALITY: SERVICE PROVIDER agrees that any information received by SERVICE PROVIDER, its employees, and/ or agents during the course of the services provided pursuant to this Agreement which concerns the personal, financial, or other affairs of SCHOOL DISTRICT, its employees, agents, clients, and/ or students will be treated by SERVICE PROVIDER, its employees, and/or agents in full confidence and will not be revealed to any other persons, firms, or organizations. The parties further agree that the terms and conditions set forth herein shall survive the expiration and/ or termination of this Agreement.

22. **HIPAA:** Both parties to this Agreement understand that they may receive and/ or come into contact with *protected health information* as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The Parties hereby acknowledge their respective responsibilities pursuant to HIPAA and, if necessary, shall execute a Business Associate Agreement in connection with such responsibilities.

23. **INDEMNIFICATION and HOLD HARMLESS PROVISION:** SERVICE PROVIDER further agrees that it shall defend, indemnify and hold harmless SCHOOL DISTRICT, its officers, directors, agents and employees for all loss, costs, damages and expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with a terminated, pending or completed action, suit or proceeding arising from any act, error or omission, misstatement, misleading statement, neglect or breach of duties by SERVICE PROVIDER or any of its officers, directors, agents or employees taken or made with respect to this Agreement.

24. **INSURANCE PROVISION:** SERVICE PROVIDER shall purchase from and maintain in a company or companies lawfully licensed to do business in the State of New York such insurance as will protect SERVICE PROVIDER and SCHOOL DISTRICT from claims set forth below for which SERVICE PROVIDER may be legally liable, whether such operations be by SERVICE PROVIDER or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Notwithstanding any terms, conditions or provisions in any other writing between the parties, SERVICE PROVIDER hereby agrees to effectuate the naming of SCHOOL DISTRICT as an unrestricted additional insured on SERVICE PROVIDER's insurance policies, with the exception of workers' compensation and professional liability. If the policy is written on a claims-made basis, the retroactive date must precede the date of the contract. The policy naming SCHOOL DISTRICT as an additional insured shall:

- a. Contain a 30-day notice of cancellation.
- b. State that the organization's coverage shall be primary coverage for SCHOOL DISTRICT, its Board, employees and volunteers.
- c. SCHOOL DISTRICT shall be listed as an additional insured by using endorsement CG 2026 or broader. The certificate must state that this endorsement is being used. If another endorsement is used, a copy shall be included with the certificate of insurance.
- d. SERVICE PROVIDER agrees to indemnify SCHOOL DISTRICT for any applicable deductibles.
- e. Required Insurance:
 - i. Commercial General Liability Insurance: \$1,000,000 per occurrence/ \$2,000,000 aggregate.
 - ii. Automobile Liability: \$1,000,000 combined single limit for owned, hired and borrowed and non-owned motor vehicles.
 - iii. Workers' Compensation and N.Y.s. Disability: Statutory Workers' Compensation, Employers' Liability and N.Y.S. Disability Benefits Insurance for all employees.
 - iv. Professional Errors and Omissions Insurance: \$1,000,000 per occurrence/\$2,000,000 aggregate for the professional acts of the consultant performed under the contract for SCHOOL DISTRICT. If written on a "claims made" basis, the retroactive date must pre-date the inception of the contract or agreement. Coverage shall remain in effect for two (2) years following the completion of work.

g. SERVICE PROVIDER shall provide the SCHOOL DISTRICT with evidence of the above insurance requirements upon execution of the within Agreement. SERVICE PROVIDER further acknowledges that its failure to obtain or keep current the insurance coverage required by this Agreement shall constitute a material breach of contract and subjects SERVICE PROVIDER to liability for damages including, but not limited to, direct, indirect, consequential, special and any other damages SCHOOL DISTRICT sustains as a result of this breach. In addition, SERVICE PROVIDER shall be responsible for the indemnification to SCHOOL DISTRICT of any and all costs associated with such lapse in coverage including, but not limited to, reasonable attorneys' fees.

h. Prior to commencement of its services, SERVICE PROVIDER shall obtain and pay for insurance as may be required to comply with the indemnification and hold harmless provisions outlined under this Agreement.

25. NOTICES: Any notices to be given under this Agreement by either party to the other may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of two (2) days after mailing.

Notice shall be delivered or mailed to:

**Cleary School for the Deaf
301 Smithtown Blvd.
Nesconset, New York 11767**

**Rocky Point Union Free School District
Attn: Office of Special Education
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778**

26. ASSIGNMENT OF CONTRACT: SERVICE PROVIDER shall not assign, transfer or convey any of its respective rights or obligations under this Agreement without the prior written consent of SCHOOL DISTRICT and as applicable SED.

27. DISCRIMINATION: Services provided pursuant to this Agreement shall be provided without regard to race, creed, color, sex, sexual orientation, national origin, religion, age or disability.

28. GOVERNING LAW: This Agreement shall be governed by the laws of the State of New York.

29. SEVERABILITY: If any term, provision, covenant or condition of this Agreement, or the application thereof to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such term, provision, covenant or condition as applied to other persons, places and circumstances shall remain in full force and effect.

30. NO PRIOR AGREEMENTS: This Agreement constitutes the full and complete Agreement between SCHOOL DISTRICT and SERVICE PROVIDER, and supersedes all prior written and oral agreements, commitments or understandings with respect thereto. This Agreement may not be altered, changed, added to, deleted from or modified except through the mutual written consent of the parties.

31. AGREEMENT CONSTRUCTION: This Agreement has been arrived at mutually and is not to be construed against any party hereto as being the drafter hereof or causing the same to be drafted.

32. REPRESENTATIONS AND WARRANTIES: SERVICE PROVIDER represents and warrants: 1) that SERVICE PROVIDER has no obligations, legal or otherwise, inconsistent with the terms of this Agreement; 2) that the performance of the services to be provided in this Agreement does not and will not violate any applicable law, rule or regulation or any proprietary or other right of any third party; and 3) that SERVICE PROVIDER has not entered into or will not enter into any Agreement (whether oral or written) in conflict with this Agreement.

33. AMENDMENT: This Agreement may be amended only in writing and signed by the parties.

34. NONWAIVER: No action or failure to act by SERVICE PROVIDER or SCHOOL DISTRICT shall constitute a waiver of a right or duty afforded them under the Agreement, nor shall such action or failure to act will constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

35. CHARTER: SERVICE PROVIDER shall maintain its charter as an approved educational program from the Regents of the University of the State of New York. SERVICE PROVIDER shall be responsible for appropriate staff orientation and training for all its educational and supporting personnel, including, but not limited to, in-service training related to provision of educational services to disabled children.

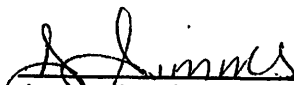
36. AUTHORITY TO ENTER AGREEMENT: The undersigned representative of SERVICE PROVIDER hereby represents and warrants that the undersigned is an officer, director, or agent of SERVICE PROVIDER with full legal rights, power and authority to enter into this Agreement on behalf of SERVICE PROVIDER and bind SERVICE PROVIDER with respect to the obligations enforceable against SERVICE PROVIDER in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

Date:

9/13/16

BY:



Jacqueline Simms, Executive Director
Cleary School for the Deaf

Date:

BY:

President, Board of Education
Rocky Point Union Free School District

RIVERHEAD CENTRAL SCHOOL DISTRICT

700 Osborn Avenue
Riverhead, NY 11901-2996
FAX (631) 369-6816 · www.riverhead.net

Nancy Carney
Superintendent of Schools
(631) 369-6717




Sam M. Schneider
Deputy Superintendent
(631) 369-6708

Christine Tona
Assistant Superintendent for Curriculum & Instruction
(631) 369-6714

September 16, 2016

Rocky Point Union Free School District
Attn: Greg Hilton, School Business Official
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778

Subject: Special Education Services Contract 2016-2017

Dear Mr.  Hilton

Under the provisions of the Education Law, Section 3602-c, as amended by Chapter 378 of the Laws of 2007, the school district in which a nonpublic or parochial school is located is required to furnish special education services for pupils attending that school. Under the same law, the district whose children attend such schools is required to pay the costs.

In order to comply with this section of the Education Law, attached please find contracts covering these services. Please have your designee sign and print their name on page 3 of the contract and return a fully executed copy to our office. An Invoice and Schedule B will follow.

Thank you for your prompt attention to this matter.

If you have any further questions please feel free to contact Holly Chew at 631-369-6823 or by e-mail at holly.chew@riverhead.net.

Sincerely,


Sam M. Schneider
Deputy Superintendent

/hc
Encs.

SPECIAL EDUCATION SERVICES CONTRACT

This Agreement is entered into this 24th day of October, 2016 by and between the Board of Education of the **Rocky Point Union Free School District** (hereinafter the "DISTRICT OF RESIDENCE"), having its principal place of business for the purpose of this Agreement at **90 Rocky Point-Yaphank Road, Rocky Point, NY 11778** and the Board of Education of the **Riverhead Central School District** (hereinafter the "DISTRICT OF LOCATION"), having its principal place of business for the purpose of this Agreement at **700 Osborn Avenue, Riverhead, NY 11901**.

WITNESSETH

WHEREAS, the DISTRICT OF LOCATION is required by Education Law Section 3602-c to provide special education services to parentally-placed students with disabilities, when such students attend private schools in the DISTRICT OF LOCATION, but reside in the DISTRICT OF RESIDENCE; and

WHEREAS, the DISTRICT OF LOCATION is a public school district within the State of New York authorized to provide special education and related services to students with disabilities;

NOW, THEREFORE, the parties mutually agree as follows:

A. **TERM**: The term of this Agreement shall be from July 1, 2016 through June 30, 2017 inclusive, unless terminated earlier as provided for in this Agreement.

B. **SERVICES AND RESPONSIBILITIES**:

1. The DISTRICT OF LOCATION shall develop an individualized education service program (IESP) for those student(s) listed on the attached "Confidential Schedule A," incorporated by reference herein and made a part of this Agreement, and shall provide the services set forth in such IESP attached as Schedule "B".

a. A student(s) and/or services may be added or deleted from the attached Schedules "A" and/or "B" at any time upon written notification to the DISTRICT OF RESIDENCE. Such written notification shall include a copy of any revised IESP. In such event, the payment amount owed by the DISTRICT OF RESIDENCE shall be adjusted accordingly.

2. The DISTRICT OF LOCATION represents and warrants that services to students under this Agreement shall be provided by individuals who are certified or licensed in accordance with applicable law, rules and regulations.

C. **COMPENSATION**:

1. The parties to this Agreement recognize that the authority for the DISTRICT OF RESIDENCE and the DISTRICT OF LOCATION to contract for the provision of special education services herein is derived from Education Law Section 3602-c, and related provisions of the Education Law and Regulations of the Commissioner of Education; and that these statutes and regulations may define the maximum costs that may be charged hereunder.

The DISTRICT OF LOCATION shall be entitled to bill the DISTRICT OF RESIDENCE for the services provided the students listed in Schedule "A" pursuant to this Agreement and the IESP attached as Schedule "B" in accordance with Education Law Section 3602-c and the Regulations or Rules of the Commissioner of Education.

2. Requests for payment by the DISTRICT OF LOCATION shall be made by submission of a detailed written invoice to the DISTRICT OF RESIDENCE on a monthly basis which references the time period for which payment is being requested, and a breakdown of the total amount due for the period specified.
3. The DISTRICT OF RESIDENCE shall pay the DISTRICT OF LOCATION within forty-five (45) business days of receipt of each invoice by the DISTRICT OF RESIDENCE, unless the DISTRICT OF RESIDENCE sends the DISTRICT OF LOCATION a written notice disputing the invoice within forty-five (45) business days of its receipt. If a dispute arises, the parties shall have those legal rights and remedies provided by law and regulation.

D. **TERMINATION.**

This Agreement may be terminated by written notice of either party if (1) Schedule "A" has been deleted so that there are no students of the DISTRICT OF RESIDENCE entitled to special education services from the DISTRICT OF LOCATION, or (2) the State Education Department has issued guidelines to school districts governing the provision of special education services pursuant to Education Law 3602-c.

E. **MISCELLANEOUS**

1. All notices which are required or permitted under this Agreement shall be in writing, and shall be deemed to have been given if delivered personally or sent by registered or certified mail, addressed as follows:

To DISTRICT OF RESIDENCE:

Greg Hilton, School Business Official
Rocky Point Union Free School District
90 Rocky Point-Yaphank Road
Rocky Point, NY 11778

To DISTRICT OF LOCATION:

Sam M. Schneider, Deputy Superintendent
Riverhead Central School District
700 Osborn Avenue
Riverhead, NY 11901

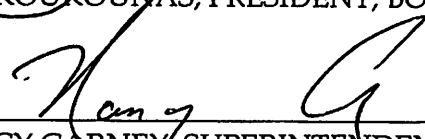
2. It is expressly understood that this Agreement shall not be assigned or transferred without prior written consent of the other party.
3. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce every provision of this Agreement.
4. Should any provision of this Agreement for any reason, be declared invalid and/or unenforceable such declaration shall not effect the validity of the remaining provisions of this Agreement. Such remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid provision(s) eliminated.
5. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with, and governed by, the laws and regulations of the State of New York and applicable Federal laws and regulations.

6. This Agreement, along with the attached Schedules "A" and "B", is the complete and exclusive statement of the Agreement between the parties, and supercedes all prior or contemporaneous, oral or written: agreements, proposals, understandings, representations, conditions or covenants between the parties relating to the subject matter of the Agreement
7. Except for Schedules "A" and "B", this Agreement may not be changed orally, but only by an agreement, in writing, signed by authorized representatives of both parties.
8. It is expressly understood that nothing in this Agreement is intended to modify or vary the statutory and regulatory obligations or rights of the parties; nor is it intended to create any additional legal rights or obligations other than those imposed or provided by Federal or State law or regulation.
9. Nothing in this Agreement is intended to bestow any benefits or rights to any third parties who are not signatories to this Agreement. The parties to this Agreement shall have the sole right to enforce its terms.
10. Nothing in this Agreement is intended to place an obligation on the parties to ensure that the other is complying with its obligations under Federal or State law or regulation.

DISTRICT OF LOCATION

RIVERHEAD CENTRAL SCHOOL DISTRICT

Date: 9/16/16 By: 
 SUSAN KOUKOUNAS, PRESIDENT, BOARD OF EDUCATION

Date: 9/16/16 By: 
 NANCY CARNEY, SUPERINTENDENT OF SCHOOLS

DISTRICT OF RESIDENCE

ROCKY POINT UNION FREE SCHOOL DISTRICT

Date: By: _____
 PRESIDENT, BOARD OF EDUCATION

Date: By: _____
 SUPERINTENDENT OF SCHOOLS

Students

SUBJECT: GRADUATION REQUIREMENTS/EARLY GRADUATION/ACCELERATED PROGRAMS

To graduate from the District, a student must meet or exceed the requirements set forth in Part 100 of the Commissioner's regulations. The Board may establish graduation requirements that exceed the minimum standards set by the Board of Regents. The District will award the appropriate diploma, credential, or both to students.

Pathways to Graduation

Students must pass the required number of Regents examinations or approved alternative exams and meet any further graduation requirements; these requirements may include passing an approved pathways assessment, other assessment, or an additional exam that measure an equivalent level of knowledge and skill. Students who fail certain Regents examinations may appeal the result in accordance with Commissioner's regulations.

Early Graduation

A student may be eligible for early graduation (fewer than eight semesters) if the student completes all requirements for graduation, excluding physical education. The District will consult with appropriate personnel, the student, and persons in parental relation, and consider factors such as the student's grades, performance in school, future plans, and benefits to graduation early in making its decision.

Accelerated Programs

Eighth Grade Acceleration for Diploma Credits

Eighth grade students may take appropriate high school courses. The Superintendent or designee will determine whether an eighth grade student is eligible to take high school courses using criteria that examines each student's readiness. By the end of seventh grade, accelerated students must receive instruction designed to facilitate their attainment of the state intermediate learning standards in each subject area in which they are accelerated.

Advanced Placement (AP)

Advanced Placement examinations afford students the opportunity to earn credit or advanced standing in many colleges and universities. The College Board administers a variety of AP examinations in May of each year. The District will determine a student's readiness for enrollment in any AP class.

(Continued)

Students

SUBJECT: GRADUATION REQUIREMENTS/EARLY GRADUATION/ACCELERATED PROGRAMS (Cont'd.)

Dual Credit for College Courses

Students who have demonstrated intellectual and social maturity may choose to matriculate at any one of the colleges that have a cooperative agreement with the District. Students who wish to enroll in college-level coursework must meet all academic, grade level, and coursework requirements. These opportunities may include early admission to college, collegiate-level work offered in the high school, or other means of providing advanced work. The administration will review and approve any college courses before they are taken during the school day. The Board will not pay tuition and other related costs for those high school students enrolled in college courses.

Online Coursework

The District may offer students the ability to complete general education and diploma requirements for a specific subject through online instruction or blended coursework that combines online and classroom-based instruction.

To receive credit for online coursework, students must successfully complete an online or blended course and demonstrate mastery of the learning outcomes for the subject by passing the Regents exam or other assessment in the subject area.

8 NYCRR §§ 100.1(i), 100.2(f), 100.4(d), 100.5, 100.6, and 200.5

NOTE: Refer also to Policy #7222 -- Diploma or Credential Options for Students with Disabilities

~~In order to graduate from Rocky Point Union Free School District, a student must complete or may exceed the requirements set forth in Part 100 of the Commissioner's Regulations. The Board of Education reserves the right to establish requirements for graduation which exceed the minimum standards as defined by the New York State Regents. All students must be in compliance with Commissioner's Regulations for graduation in achieving a minimum of a Regents diploma unless otherwise indicated.~~

~~Regents Diploma with Honors~~

~~The District may award a Regents diploma with honors to students who receive an average of ninety percent (90%) in all Regents examinations required for the honors diploma. These exams include mathematics, science, US History, government and global history, and geography. This "honors" diploma may also be given to a student who has substituted no more than two (2) alternative assessments for a Regents examination as approved by Commissioner's Regulations Section 100.2(f). However, the student's actual score on the substituted alternative assessment will not be factored into the ninety percent (90%) calculation.~~

~~Regents Diplomas with Advanced Designation with Honors~~

~~The District may award a Regents diploma with advanced designation with honors. A student needs to have an average score of ninety percent (90%) on all Regents examinations required for the advanced diploma. These Regents examinations are: ELA, two (or three) mathematics, two sciences (one in physical science/the other in life science), US History and Government, Global History and Geography and languages other than English (LOTE).~~

~~Early Graduation~~

~~Upon request from the student's parent/guardian, a student shall be eligible for early graduation in fewer than eight (8) semesters upon completion of all requirements for graduation, excluding physical education, as mandated by Commissioner's Regulations. A student shall not be required to continue enrollment for the sole purpose of completing physical education requirements.~~

~~Accelerated Programs~~

~~Eighth Grade Acceleration for Diploma Credits~~

~~Individual eighth grade students only may be afforded the opportunity to take high school courses in mathematics and in at least one (1) of the following areas: English, social studies, languages other than English, art, music, career and technical education subjects, or science courses. The Superintendent or his/her designee is responsible for determining that an eighth grade student is eligible to take high school courses. The District shall utilize a set of criteria to determine each~~

~~(Continued)~~

Students

~~SUBJECT: GRADUATION REQUIREMENTS/EARLY GRADUATION/ACCELERATED PROGRAMS (Cont'd.)~~

~~student's readiness for acceleration. Students who are accelerated for diploma credit must have been provided instruction designed to facilitate their attainment of, by the end of Grade 7, the State intermediate learning standards in each subject area in which they are accelerated.~~

~~Advanced Placement Programs (AP)~~

~~Advanced Placement (AP) examinations are administered by the College Board with strict guidelines as to its implementation. A national, standardized, arduous examination is administered by the College Board in May of each year for a great variety of courses in various subject areas. In addition to entering a universe of knowledge that might otherwise remain unexplored in high school, Advance Placement examinations afford students the opportunity to earn credit or advanced standing in most of the nation's colleges and universities. The District shall utilize a set of criteria to determine a student's readiness for enrollment in the Advance Placement classes.~~

~~Online Coursework~~

~~Section 100.5(d) of NYCRR amends the Commissioner's Regulations to allow school districts and BOCES to offer students the ability to complete general education and diploma requirements for a specific subject through online instruction or blended coursework that combines online and classroom-based instruction.~~

~~To receive credit students shall successfully complete an online or blended course and demonstrate mastery of the learning outcomes for the subject by passing an appropriate assessment in the subject area.~~

~~8 New York Code of Rules and Regulations (NYCRR) Sections 100.1(i), 100.2(f) and 100.5~~

Students

SUBJECT: CREDENTIAL OPTIONS FOR STUDENTS WITH DISABILITIES

The District will provide students with disabilities appropriate opportunities to earn a diploma or other exiting commencement credential in accordance with Commissioner's regulations. During the student's annual review, the District will evaluate graduation opportunities and identify the means to achieve them. As part of this process, the District:

- a) Will coordinate activities with guidance personnel and BOCES staff to ensure that students meet credit and sequence requirements and to consider them for vocational opportunities.
- b) May modify instructional techniques and materials. Any modifications will be included on a student's Individual Education Plan (IEP) so that they can be implemented consistently throughout the student's program.
- c) Will review special education instructional programs to ensure equivalency with the same courses taught in the general education program.
- d) Will coordinate communication between special and general education staff so that all staff members understand required skills and competencies, and to establish equivalency of instruction in special education classes.

Graduation and transition plans will take into account the various pathways available to these students. For students with IEPs, the District will plan transition services for post-secondary life as early as possible, but no later than the school year in which the student turns age 15. The transition activities will be focused on improving both the student's academic and functional achievement. The plan will explore post-secondary opportunities and employment options and, if applicable, connection with adult service agencies that may provide the student with services after exiting school.

The District may award these diplomas or credentials, or both:

- a) **Local diploma:** available to students with an IEP or a Section 504 accommodation plan that specifies a local diploma. Students must comply with credit requirements. The available assessments to earn a local diploma include:
 1. **Low-pass safety net option:** students must achieve a score of 55 or higher on five required Regents exams.
 2. **Low-pass safety net and appeal:** available to students who score 52-54 on a Regents exam, successfully appeal that score, and meet all appeal conditions.
 3. **Regents Competency Test (RCT) safety net option:** a student who enters grade 9 before September 2011 must pass a corresponding RCT if he or she does not attain a score of 55 or higher on the Regents examination.

(Continued)

SUBJECT: DIPLOMA OR CREDENTIAL OPTIONS FOR STUDENTS WITH DISABILITIES (Cont'd.)

4. **Compensatory safety net option:** except for scores on ELA and math exams, students may use one Regents exam score of 65 or above to compensate for a Regents exam score of 45-54. Students must score at least 55 (or successfully appeal a score of 52-54) on both the ELA and a math exam.
 5. **Superintendent's determination:** students who are unable to demonstrate their proficiency on standard state assessments because of one or more disabilities may be able to graduate upon the Superintendent's review and written certification of their eligibility. The Superintendent must review every student who does not meet graduation standards through the appeal and safety net options for potential eligibility under this determination.
- b) **Career Development and Occupational Studies commencement credential (CDOS):** any student who is not assessed using the New York State Alternate Assessment (NYSAA) may earn the CDOS commencement credential as a supplement to a Regents or local diploma or as his or her only exiting credential if the student attended school for at least 12 years, excluding kindergarten. The student must meet criteria specified by the State Education Department (SED) confirming that he or she has attained the standards-based knowledge, skills, and abilities necessary for entry-level employment.
- c) **Skills and Achievement commencement credential:** students with severe disabilities who are assessed using the NYSAA may earn the SA commencement credential. They must attend school for at least 12 years, excluding kindergarten. The District must document the student's skills, strengths, and levels of independence in academic, career development, and foundation skills needed for post-secondary life.

Education Law §§ 3202 and 4402
8 NYCRR §§ 100.1, 100.2, 100.5, 100.6, 200.4, and 200.5

NOTE: Refer also to Policy #7220 -- Graduation Options/Early Graduation/Accelerated Programs

~~The Board of Education is committed to ensuring that students with disabilities are provided appropriate opportunities to earn a high school diploma or other exiting Commencement Credential in accordance with the provisions of Commissioner's Regulations. To this end, graduation and transition plans shall take into account the various pathways available to these students.~~

~~In addition to all graduation options afforded to general education students, including the Regents Diploma and various honors and/or designations, the following diplomas and/or credentials are also available for students with disabilities:~~

~~Local Diploma~~

~~To earn a Local Diploma, students with disabilities must:~~

- ~~a) Complete the same twenty-two (22) units of credit required for a Regents Diploma; and~~
- ~~b) Achieve a score of 55 or higher on one or more of the five (5) examinations required for a Regents Diploma.~~

~~Note: Students with disabilities entering Grade 9 prior to September 2011: A passing grade on a Regents Competency Test (RCT) may be used in lieu of a passing grade on a Regents examination. The school may administer the RCT before or after the corresponding Regents exam, however the student must take the required Regents exam. The RCT option remains available until the applicable student graduates or turns twenty-one (21) years old.~~

~~Local Diploma Compensatory Option (Safety Net)~~

~~To earn a Local Diploma using the compensatory option, students with disabilities must:~~

- ~~a) Complete the same twenty-two (22) units of credit required for a Regents Diploma;~~
- ~~b) Achieve a score of at least 55 on both the English (ELA) and Math Regents exams;~~
- ~~c) Achieve a score between 45-54 on one or more of the other required Regents exams (US History and Government, Global History, and a Science), in which case each score of 65 or higher on any other Regents exam may compensate for a single 45-54 required exam;~~
- ~~d) Obtain a passing grade for the course in the subject area of the Regents exam in which he or she received a score of 45-54;~~
- ~~e) Have a satisfactory attendance rate in accordance with the District's or school's attendance policy for the school year; and~~

~~2013-7222~~

~~2 of 3~~

~~Students~~

~~SUBJECT: _____ DIPLOMA AND/OR CREDENTIAL OPTIONS
FOR STUDENTS WITH
DISABILITIES (Cont'd.)~~

~~f) Not already be using a passing score on any RCTs, if such exam is available to the student (entered Grade 9 prior to September 2011).~~

Adoption Date 3/23/09

Revision Dates 10/24/11, 11/25/13, 11/21/16

Review Date

~~Career Development and Occupational Studies (CDOS) Commencement Credential~~

~~The Career Development and Occupational Studies (CDOS) Commencement Credential may be earned by a student with a disability to document his or her preparation for entry-level employment after high school. This credential can be awarded in conjunction with a Regents or Local Diploma, or may be issued by itself.~~

~~When awarding the CDOS Commencement Credential using *option one*, the student shall demonstrate evidence of the following requirements, which shall be verified by the District:~~

~~a) The student has a developed, annually reviewed and, as appropriate, revised Career Plan to assure the student is actively engaged in career exploration;~~

~~b) The student has demonstrated commencement level knowledge and skills of the CDOS learning standards. To evidence this level of knowledge and skill, a student must demonstrate career development, integrated learning, and universal foundation skills. In addition a student may also, but is not required to, demonstrate additional career skills by completing a career-specific major;~~

~~c) The student has successfully completed at least two (2) units of study (216 hours) in Career and Technical Education (CTE) courses, including a minimum of 54 hours of documented school supervised work-based learning experiences, which may, but is not required to, be completed in conjunction with the CTE courses; and~~

~~d) Within one year prior to a student's exit from school, at least one Employability Profile must be completed by designated school staff or other individuals knowledgeable about the student's employment skills and experiences.~~

~~A student's CTE courses and supervised work-based learning experiences must be documented on his or her transcript and the Career Plan and Employability Profile must be placed in a student's permanent record. The State Education Department (SED) has provided models of the Career Plan and Employability Profile forms as well as charts of work-based learning programs and nationally-recognized work-readiness credentials, located at:~~

~~<http://www.p12.nysed.gov/specialed/publications/CDOScredential-memo-613.htm>~~

~~Instead of the above (a-d) requirements, a District may utilize *option two* by awarding a CDOS Commencement Credential to a student who has completed a nationally-recognized work-readiness program or certification. Districts cannot exclusively offer option two and must still provide opportunities for students to fulfill the CDOS Commencement Credential through option one's requirements.~~

~~(Continued)~~

~~2013-7222~~

~~2 of 2~~

~~Students~~

~~SUBJECT: _____ DIPLOMA AND/OR CREDENTIAL OPTIONS
FOR STUDENTS WITH
DISABILITIES (Cont'd.)~~

~~Skills and Achievement (SA) Commencement Credential~~

Adoption Date 3/23/09

Revision Dates 10/24/11, 11/25/13, 11/21/16

Review Date

~~To issue the Skills and Achievement (SA) Commencement Credential the District must ensure that the student~~

- ~~a) Meets the definition of a student with a severe disability;~~
- ~~b) Has been recommended by the Committee of Special Education (CSE) to take the New York State Alternative Assessment (NYSAA) for students with severe disabilities;~~
- ~~c) Has been given appropriate opportunities to participate in community experiences and development of employment and other instructional activities to prepare the student for post-secondary living, learning and employment; and~~
- ~~d) Has been issued a summary of the student's academic achievement and functional performance. A model summary form developed by SED is located at <http://www.p12.nysed.gov/specialed/publications/SACC-SESform-att2.htm>~~

~~Awarding the SA or CDOS Commencement Credentials~~

~~The SA and CDOS Commencement Credentials may be issued at any time after such student has attended school for at least twelve (12) years, or at the end of the school year in which the student turns twenty one (21) years old. When a student is under twenty one (21) and is issued SA Commencement Credential or the CDOS Commencement Credential *without* the Regents or Local Diploma, the credential award must be accompanied by a written statement of assurance. This statement must indicate that the student remains eligible to attend the public school within the District, without payment of tuition, until the student has either earned a diploma or until he/she turns twenty-one (21), whichever occurs first.~~

~~The CDOS and SA Commencement Credentials must be similar in form to the diplomas issued by the District, except that they shall not use the term "diploma" on them. The SA Commencement Credential must contain a clear annotation that it is based on alternate academic achievement standards. The CDOS Commencement Credential shall indicate that it has been endorsed by the New York State Board of Regents as a certificate of readiness for entry level employment.~~

~~Education Law Sections 3202 and 4402~~

~~8 NYCRR Sections 100.1, 100.2, 100.5, 100.6, 200.4 and 200.5~~

~~NOTE: Refer also to Policy #7220 -- Graduation Requirements/Early Graduation/Accelerated Programs~~

Adoption Date 3/23/09

Revision Dates 10/24/11, 11/25/13, 11/21/16

Review Date

Instruction

SUBJECT: HOME TUTORING (HOMEBOUND INSTRUCTION)

Resident children attending public or non-public schools who qualify for home tutoring due to a long term illness or are physically unable to attend classes shall be provided with such instruction in accordance with New York State Education Law and Commissioner's Regulations.

The building administrator shall make reasonable efforts to ensure that the provision of home tutoring services takes into consideration the impact of school absences on class attendance and grading (i.e., minimal attendance).

Licensed Health Care Provider's Physician's certification, Committee on Special Education recommendation, or Superintendent's direction is necessary for students to be eligible to receive home tutoring in a student's home, in a District facility, or at a neutral site such as the public library, instruction at the Alternative Learning Center (ALC). If the student's illness prevents him/her from attending the ALC, home tutoring may be provided upon the verification of the District's physician. At the District's discretion, additional verification may be required by the District's physician

Procedures:

The following procedures for students requiring home tutoring have been developed under the direction of the Superintendent:

Parent/Guardian must:

- a) Provide Licensed Health Care Provider's Physician's certification stating date when the student was treated, evaluated, or seen, the nature of the illness or injury, of illness, diagnosis, prognosis and anticipated duration of home tutoring. (Such note will be accepted only if it is dated and signed by the Licensed Health Care Provider, physician. A stamped signature is not acceptable.)
- b) Except as provided by law, no home tutoring will be provided for illnesses of less than two consecutive school weeks' duration.
- c) If a student will be out for longer than two consecutive weeks, the School District may require the student to be seen by a physician of the District's choice.
- d) After the student child is seen by a District physician, a final determination will be made as to the duration of home tutoring.
- e) If a student child receives home tutoring and is expected to be out of school for more than 30 days, an extended period of time, monthly medical evaluations from the student's child's treating Licensed Health Care Provider physician must be provided by the parent to continue tutoring services.
- f) Provide clearance documentation from the treating Licensed Health Care Provider wWhen home tutoring is no longer necessary, and the student must return to school immediately. Students are subject to the District Comprehensive Attendance Policy while attending the ALC.
- g) It is understood that students who are too ill to attend school should not be involved in any outside activities including, but not limited to, work, athletics, etc.

Education Law Sections 1604(20), 1709(24), 3202 and 4401
8 New York Code of Rules and Regulations (NYCRR) Section 175.21

Adoption Date 3/23/09
Revision Date 11/21/16
Review Date

Rocky Point UFSD
Personnel Schedule for Board of Education Approval -10/24/16

Schedule 10-24-16-A Classified Staff

Name		Position	Bldg.	Salary Rate	Amount	Effective Date	Description/Comments
Tis	Dorothy	Secretarial Assistant	DO	Annual	59,500	11/21/16	Change in status from contractual School-Related Professional Association employee to contractual confidential employee. Provisional appointment as per Civil Service rules and regulations. Replaces P. Jones. Salary pro-rated.
Hug	Jayne	Senior Clerk Typist	FJC	Annual - Step 0	28,657	10/25/16	Full-time twelve-month probationary conditional appointment. Replaces P. Staudermann. Salary pro-rated.
Singleton	Jessica	Registered Nurse	DW	Annual - Step 0	40,000	11/9/16	Full-time ten-month contractual appointment. Salary pro-rated. New position.
Giammarella	Lisa	Part-Time Clerk Typist	FJC	Hourly - Step 7	10.73	10/26/16	Change in status from part-time school monitor to part-time (5 days per week, 4 hours per day) contractual appointment. New Position.
Loud-Carmody	Jacqueline	School Lunch Monitor	JAE	Hourly - Step 0	10.25	10/26/16	Part-time (5 days per week, 3 hours per day) ten-month contractual appointment. Replaces B. Rado.
Newcomb	Tyanne	School Teacher Aide	DW	Annual	500.00	9/1/16	Pro-rated (1/6) Medical Intervention Stipend 2016-2017 school year. Amended appointment.
Fougere	Daniel	Groundsman I	DW	N/A	N/A	10/11/16	Amended end date of continuation of unpaid leave of absence for medical reasons from 10/31/16 to 10/11/16.
Watkins	Tara	Food Service Worker	HS	Hourly - Step 3	11.23	9/27/16	Amended salary

Rocky Point UFSD
 Personnel Schedule for Board of Education Approval -10/24/16

Schedule 10-24-16-A Classified Staff

Name		Position	Bldg.	Salary		Effective Date	Description/Comments
				Rate	Amount		
Gross	Nicole	Food Service Worker	HS	N/A	N/A	10/25/16	Decrease in hours from 4 to 3.5 hours daily. Replaces T. Watkins.
Clancy	Julia	School Teacher Aide	JAE	N/A	N/A	10/14/16 EOB	Resignation for personal reasons

Rocky Point UFSD
 Personnel Schedule for Board of Education Approval -10/24/16

Schedule 10-24-16-C Non-Teaching Substitutes

Name	Position	Bldg.	Salary		Effective Date	Description/Comments	
			Rate	Amount			
Stewart	Patricia	Substitute Clerical	DW	Hourly	10.25	10/26/16	2016-2017 school year
Rivera	Danny	Substitute Food Service Worker	DW	Hourly	10.25	10/26/16	2016-2017 school year
Olmeda	Nancy	Substitute Teacher Aide/Monitor	DW	Hourly	10.25	10/26/16	2016-2017 school year
Maresca	Douglas	Substitute Custodian	DW	Hourly	10.25	10/30/16	2016-2017 school year
Buchner	Eugene	Substitute School Communications Coordinator	DW	Hourly	25.00	10/25/16	2016-2017 school year
Loud-Carmody	Jacqueline	Substitute Teacher Aide/Monitor	DW	N/A	N/A	10/25/16	Inactivation of 2016-2017 substitute appointment

Rocky Point UFSD
 Personnel Schedule for Board of Education Approval -10/24/16

Schedule 10-24-16-D Teaching Substitutes

Name		Position	Bldg.	Salary		Effective	Description/Comments
				Rate	Amount	Date	
Cortes	Melissa	Per Diem Substitute Teacher	DW	Daily	100.00	10/28/16	2016-2017 school year
Kitz	Laurieann	Per Diem Substitute Teacher	DW	N/A	100.00	10/28/16	2016-2017 school year
Komorowski	Nicole	Per Diem Substitute Teacher	DW	Daily	100.00	10/28/16	2016-2017 school year
Handel	Kathryn	Per Diem Substitute Teacher	DW	N/A	100.00	10/31/16	2016-2017 school year
Jenkins	Ronna	Per Diem Substitute Teacher	DW	N/A	N/A	9/22/16	Resignation for personal reasons
Thaler	Hallie	Per Diem Substitute Teacher	DW	N/A	N/A	9/26/16	Resignation for personal reasons
Hagen	Tracey	Per Diem Substitute Teacher	DW	N/A	N/A	10/16/16	Resignation for personal reasons
Mejia	Adriana	Per Diem Substitute Teacher	DW	N/A	N/A	10/3/16	Resignation for personal reasons
Ruta	Alyssa	Per Diem Substitute Teacher	DW	N/A	N/A	10/11/16	Resignation for personal reasons

Rocky Point UFSD
Personnel Schedule for Board of Education Approval -10/24/16

Schedule 10-24-16-E Co-Curricular Positions 2015/2016 and 2016/2017

Name	Position	Bldg.	Salary		Effective Date	Description/Comments	
			Rate	Amount			
Levine	Andrew	Additional Supervision	DW	Hourly	47.00	7/1/16	Interview Committee
Hunt	Jacqueline	Speech Teacher	DW	Hourly	20.00	9/1/16	ICARE/SHARP/ALC/AHS Liaison 2016/2017 school year
Cangemi	Andrew	English Teacher	DW	Hourly	20.00	9/1/16	ICARE/SHARP/ALC/AHS Liaison 2016/2017 school year
Maggio	Michele	Crafty Cooks Club	JAE	N/A	N/A	9/1/16	Resignation for personal reasons
Kyriakakis	Katerina	Crafty Cooks Club	JAE	Annual	1,206	9/1/16	2016-2017 school year. Shared stipend. Replaces M. Maggio
Goncalves	Rony	Volunteer Boys Soccer	DW	N/A	N/A	9/26/16	2016-2017 school year
Roach	Daniel	Volunteer Boys Soccer	DW	N/A	N/A	9/27/16	2016-2017 school year
Burns	Dorothy	HS Business Department Club	DW	N/A	N/A	9/6/16	Resignation for personal reasons
Burns	Dorothy	Business Honor Society	DW	Annual	1,200	9/7/16	2016-2017 school year
Coggins	William	JV Wrestling	DW	Annual	4,561	10/25/16	Coaching appointment 2016-2017
Volpe	Anthony	Asst. Varsity Wrestling	DW	Annual	4,829	10/25/16	Coaching appointment 2016-2017
Sussillo	Conor	MS Boys Basketball	DW	Annual	4,024	10/25/16	Coaching appointment 2016-2017
Bennett-Rosman	Alexa	MS Cheerleading - Winter	DW	N/A	N/A	10/24/16	Resignation to accept JV coaching appointment
Bennett-Rosman	Alexa	JV Winter Cheerleading	DW	Annual	4,427	10/25/16	Coaching appointment 2016-2017
Wesolowski	Casey	MS Cheerleading - Winter	DW	Annual	3,755	10/25/16	Coaching appointment 2016-2017. Replaces A. Bennett-Rosman
Coello-Zichitella	Jessica	MS Girls Volleyball	DW	Annual	3,755	10/25/16	Coaching appointment 2016-2017
Moeller	James	MS Football	DW	Annual	4,561	10/24/16	2016-2017 coaching appointment. Amended stipend
***Up to two hours: \$53.00; in excess of two hours: \$80.00; Junior/Senior Prom: \$53.00 per hour 2015/2016 and 2016/2017 school years							

