

**WALL TOWNSHIP PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Tuesday, March 22, 2022**

**RESOLUTION
2020/2021 AUDIT**

WHEREAS, the firm of Holman Frenia Allison, PC has prepared an audit for the Wall Township School District from July 1, 2020, through June 30, 2021; and

WHEREAS, the audit has been distributed to each Board member for review; and

WHEREAS, Mr. Matthew Holman of the firm of Holman Frenia Allison, PC was present at the Regular meeting of the Board of Education of the Township of Wall on December 14, 2021, to present the "Draft Audit" and addressed questions concerning the audit; and

WHEREAS, Mr. Matthew Holman of the firm of Holman Frenia Allison, PC was present at the Regular meeting of the Board of Education of the Township of Wall on March 22, 2022, to present the "Final Audit" and address questions concerning the audit.

NOW, THEREFORE, BE IT RESOLVED, that the Wall Township Board of Education accepts the 2020/2021 audit as presented.

SYNOPSIS OF AUDIT REPORT FOR PUBLIC DISTRIBUTION

**WALL TOWNSHIP BOARD OF EDUCATION
COUNTY OF MONMOUTH**

As required by Title 18A:23-4, the following is a synopsis of the audit of the financial statements and supplementary data of the Governmental Activities for the year ended June 30, 2021.

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS				
Cash & Cash Equivalents	\$ 7,369,829	\$ 138,805	\$ 1	\$ 7,508,635
Cash Held with Fiscal Agents	217,505	-	-	217,505
Receivables, Net:				
Due from Other Governments:				
Federal	-	160,578	-	160,578
State	995,582	5,000	-	1,000,582
Other Receivables	110,494	383	-	110,877
Restricted Cash & Cash Equivalents	8,449,656	-	-	8,449,656
Total Assets	\$ 17,196,433	\$ 304,766	\$ 1	\$ 17,501,200
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 825,259	\$ 47,386	\$ -	\$ 872,645
Intergovernmental Payable:				
State	-	389	-	389
Interfund Payable	41,290	-	1	41,291
Unearned Revenue	17,864	-	-	17,864
Other Current Liabilities	613,600	-	-	613,600
Payroll Deductions & Withholdings	1,701	-	-	1,701
Unemployment Liability	103,160	-	-	103,160
Total Liabilities	1,602,874	47,775	1	1,545,789
Fund Balances:				
Restricted for:				
Capital Reserve	5,879,993	-	-	5,879,993
Maintenance Reserve	1,788,911	-	-	1,788,911
Emergency Reserve	780,752	-	-	780,752
Unemployment Reserve	281,889	-	-	281,889
Scholarship Reserve	-	30,099	-	30,099
Student Activities Reserve	-	226,892	-	226,892
Assigned to:				
Other Purposes	2,779,146	-	-	2,779,146
Designated for Subsequent Year's Expenditures	1,164,728	-	-	1,164,728
Unassigned	2,918,140	-	-	2,918,140
Total Fund Balances	15,593,559	256,991	-	15,850,550
Total Liabilities & Fund Balances	\$ 17,196,433	\$ 304,766	\$ 1	\$ 17,501,200

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021**

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 67,782,856	\$ -	\$ -	\$ 2,355,338	\$ 70,138,194
Tuition Charges	927,171	-	-	-	927,171
Miscellaneous	219,668	284,179	-	-	503,847
Total Local Sources	68,929,695	284,179	-	2,355,338	71,569,212
State Sources	18,723,697	58,142	-	754,939	19,536,778
Federal Sources	47,595	1,592,473	-	-	1,640,068
Total Revenues	87,700,987	1,934,794	-	3,110,277	92,746,058
Expenditures:					
Instruction:					
Regular Instruction	21,214,002	1,339,600	-	-	22,553,602
Special Education Instruction	10,496,436	-	-	-	10,496,436
Vocational Education	678,770	-	-	-	678,770
Other Instruction	1,077,650	-	-	-	1,077,650
School Sponsored CoCurricular/Athletics	1,179,233	-	-	-	1,179,233
Support Services:					
Attendance & Social Work Services	703,405	-	-	-	703,405
Health Services	702,531	-	-	-	702,531
Student & Instruction Related Services	5,467,221	603,607	-	-	6,070,828
General Administrative	945,887	-	-	-	945,887
School Administrative Services	3,086,479	-	-	-	3,086,479
Central Services	749,403	-	-	-	749,403
Administrative Information Technology	753,548	-	-	-	753,548
Plant Operations & Maintenance	6,696,250	-	-	-	6,696,250
Pupil Transportation	3,578,753	-	-	-	3,578,753
Unallocated Benefits	11,690,076	-	-	-	11,690,076
On Behalf TPAF Pension and Social Security Contributions	13,544,999	-	-	-	13,544,999
Capital Outlay	1,590,764	4,578	-	-	1,595,342
Debt Service:					
Principal	-	-	-	2,660,000	2,660,000
Interest & Other Charges	7,780	-	-	450,278	458,058
Total Expenditures	84,163,187	1,947,785	-	3,110,278	89,221,250
Excess/(Deficiency) of Revenues Over Expenditures	3,537,800	(12,991)	-	(1)	3,524,808
Other Financing Sources (Uses):					
Transfers In	251,202	-	-	-	251,202
Transfers Out	(49,090)	-	(251,202)	-	(300,292)
Total Other Financing Sources (Uses)	202,112	-	(251,202)	-	(300,292)
Net Changes in Fund Balances	3,739,912	(12,991)	(251,202)	(1)	3,475,718
Fund Balance, July 1	11,853,647	269,982	251,202	1	12,374,832
Fund Balance, June 30	\$ 15,593,559	\$ 256,991	\$ -	\$ -	\$ 15,850,550

**WALL TOWNSHIP BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
YEAR ENDED JUNE 30, 2021**

SCHOOL DISTRICT

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. Enterprise Funds

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

All prior year findings have been corrected.

WALL TOWNSHIP BOARD OF EDUCATION

Wall, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
WALL TOWNSHIP BOARD OF EDUCATION
WALL, NEW JERSEY**



YEAR ENDED JUNE 30, 2021

**PREPARED BY THE WALL TOWNSHIP BOARD OF EDUCATION
BUSINESS OFFICE
BRIAN J. SMYTH
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY**

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INTRODUCTORY SECTION

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WALL TOWNSHIP PUBLIC SCHOOLS
OFFICE OF THE BUSINESS ADMINISTRATOR/BOARD SECRETARY
PO Box 1199
Wall, New Jersey 07719-1199

Brian J. Smyth
Business Administrator/Board Secretary

Phone: 732-556-2016
FAX: 732-556-2102

February 16, 2022

Honorable President and
Members Of the Board of
Education
Citizens of the Township of
Wall Wall Township Public
School District County of
Monmouth
Wall, NJ 07719

Dear Board Members and Citizens of the Township of Wall:

The comprehensive annual financial report of the Wall Township Public School District (District) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information at June 30, 2021, and the respective changes in financial position and cash flows, where applicable, for the year then ended. All disclosures necessary to enable the reader to gain an understanding of

The introductory section includes this transmittal letter (designed to complement Management's Discussion and Analysis and should be read in conjunction with it), the District's organizational chart, a roster of officials, the list of independent auditors, and advisors. The financial section includes management's discussion and analysis (presented immediately after the report of independent auditors), basic financial statements, required supplementary information, and other supplementary information, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The district is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this Single Audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts, and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report

1. Reporting Entity and its Service

The Wall Township Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14, amended by GASB Statements No. 39, 61, and 80. All funds of the District are included in this report. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and special education students. In addition, services are provided for pre-school handicapped special needs students. The Wall Township Public School District is comprised of five elementary schools, one middle school and one high school. The District student count at October 15, 2020 was 3,311.

2. Economic Condition and Outlook

The Wall Township area continues to experience limited residential development and turnover, which results in enrollment declining on a consistent basis. In addition, declining enrollment specific to the 2020-2021 school year has been attributed to COVID and the district operating the schools in-person on a half day schedule. Accordingly, it is difficult to determine if this trend will continue or reverse itself once the district resumes a regular schedule.

3. Long-Term Financial Planning/Major Initiatives

The 2020-21 budget decreased by a little less than 1% when compared to the prior year budget with the Operating Budget totaling \$76,240,000. The decrease in overall budget was due to a decrease in the amount budgeted for capital expenditures. The 2020-21 budget included capital expenditures in the amount of \$1,084,240 for equipment and facility improvement projects, down from \$3,782,000 in the prior year.

4. Internal Controls

Management of the District is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as they pertain to governmental entities. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal controls, including that portion related to federal and state financial assistance programs, as well as evaluate whether the District has complied with the applicable laws and regulations relating to its major programs.

5. Budgetary Controls and Process

In addition to internal controls, the District maintains budgetary controls. The legal level of budgetary control is established at the line item accounts within each fund. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as an assignment of fund balance at June 30, 2021.

Beginning with the 2012-2013 budget, the state of New Jersey allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers. The Wall Township Board of Education elected to eliminate the budget vote at that time. In addition to the 2% limit on tax levy increases, there are restrictions on budget transfers during the year that can be made without NJDOE approval.

6. Financial Policies

The intent of the Board of Education is to ensure that the District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for budget preparation and fiscal planning. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

7. Accounting System and Reports

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

8. Debt Administration

Under the provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2021, the District's outstanding debt issues are below the legal debt margin and are summarized in the "Notes to the Basic Financial Statements".

It is noted that the Wall Township Public School District continued to maintain its Moody's Investors Services Aa3 rating. Moody's most recent rating report states "The affirmation incorporates the District's improved financial condition following three years of structurally balanced operations despite a statutory two percent tax levy cap and state aid reductions." Moody's believes the District will maintain its satisfactory financial position given the trend of structurally balanced operations that improved liquidity and reserves due to conservative budgeting practices.

The district refunded 2005, 2006, and 2007 Series Bonds in March of 2015. The 2015 Refunding Bonds (2015 Series Bonds) were priced on March 25, 2015. The par amount of the bonds was \$17,515,000 and the net interest rate of the bonds was 1.98%. The total debt service savings will be approximately \$1,838,000 translating to an average savings of \$200,000 annually through June 30, 2024. Standard & Poor's Ratings Service assigned its 'AA' long-term rating and stable outlook to the 2015 bonds and affirmed its 'AA' rating and stable outlook on the district's existing debt.

The district will start to reduce its annual debt obligations in the year ending June 30, 2022, with a significant amount of debt as the maturity date of the 2015 Series Bonds mentioned above will reach their maturity date at the end of the 2023-24 school year. The district has been in the process of identifying programs and capital improvement projects best suited for debt service funding.

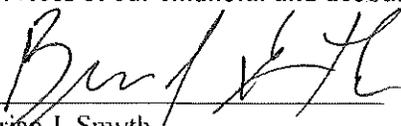
9. Other Information

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in The Single Audit section of this report.

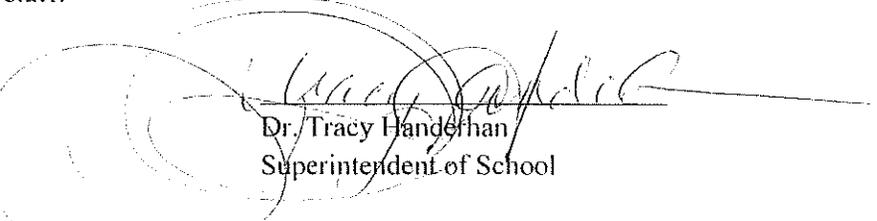
Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

10. Acknowledgments

We would like to express our appreciation to the members of the Wall Township Board of Education for their concern in ensuring fiscal responsibility to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.



Brian J. Smyth
Business Administrator



Dr. Tracy Handelman
Superintendent of School

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**WALL TOWNSHIP BOARD OF EDUCATION
WALL, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2021**

Members of the Board of Education

TERM EXPIRES

Ralph Addonizio, President	December 2022
Andrew Krupa, Vice President	December 2021
Russell Gartz	December 2022
Joseph Hall	December 2022
Kristen Hodnett	December 2023
Christopher San Filippo	December 2023
Adam Nasr	December 2021
Christine Steitz	December 2021
Kenneth Wondrack	December 2023

Other Officials

Dr. Tracy Handerhan, Superintendent of Schools	July 2023
Brian Smyth, School Business Administrator/Board Secretary	
Pablo Canela, Treasurer	

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**WALL TOWNSHIP BOARD OF EDUCATION
WALL, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2021**

AUDITOR/AUDIT FIRM

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Wall Township School District
County of Monmouth
Wall, New Jersey 07719

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wall Township School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School 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; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wall Township School District, County of Monmouth, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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, and the schedules related to accounting and reporting for pensions & other post employment benefits, as listed in the table of contents 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 Wall Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2022 on our consideration of the 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 the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Matthew Holman

Certified Public Accountant

Public School Accountant, No. 20CS00260100

Lakewood, New Jersey
February 16, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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WALL TOWNSHIP BOARD OF EDUCATION

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2021

This section of the Wall Township Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- In total, net position of governmental activities increased \$7,035,649, which represents a 67.33% increase from fiscal year 2020. Total net position of business-type activities increased \$114,312, which represents a 82.70% increase from fiscal year 2020.
- General revenues accounted for \$77,271,733 in revenue or 73.09% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$28,443,887 or 26.91% of total revenues of \$105,715,620.
- Total assets of governmental activities increased by \$2,308,841 as cash and cash equivalents and restricted cash increased by \$3,311,993, receivables decreased by \$550,594, and total capital assets decreased by \$442,998.
- Total liabilities of governmental activities decreased by \$6,282,977 as accounts payable decreased by \$107,503 and non-current liabilities due beyond one year decreased by \$4,781,182.
- The District had \$97,144,935 in governmental activity expenses; only \$26,958,831 of these expenses were offset by program specific grants, or contributions. General revenues and special items from governmental activities (primarily property taxes) of \$77,221,753 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$7,035,649.
- In the governmental funds, the general fund had \$87,700,987 in revenues, \$84,163,187 in expenditures, and net financing sources (uses) of 202,112. The general fund's fund balance increased by \$3,739,912 over fiscal year 2021.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Wall Township Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund, Before and After School Programs, and Chromebook Fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

Under the guidance of the *Governmental Accounting Standards Board* Statement No. 84, the District has reclassified the Fiduciary Funds maintained in the preceding period and now maintains no fiduciary funds.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2021 and 2020, respectively:

**Net Position
June 30, 2021**

	Governmental Activities		Business-Type Activities	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets				
Current and Other				
Assets	\$ 17,447,833	\$ 14,695,994	\$ 300,977	\$ 154,349
Capital Assets, Net	38,664,106	39,107,104	51,888	66,949
Total Assets	<u>56,111,939</u>	<u>53,803,098</u>	<u>352,865</u>	<u>221,298</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	3,505,434	4,375,371	-	-
Deferred Charges on Refunding of Debt	69,038	105,259	-	-
Total Deferred Outflows of Resources	<u>3,574,472</u>	<u>4,480,630</u>	<u>-</u>	<u>-</u>
Liabilities				
Long-Term Liabilities	30,045,261	35,085,055	-	-
Other Liabilities	3,192,914	4,436,097	100,321	83,066
Total Liabilities	<u>33,238,175</u>	<u>39,521,152</u>	<u>100,321</u>	<u>83,066</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	8,963,320	8,862,942	-	-
Total Deferred Inflows of Resources	<u>8,963,320</u>	<u>8,862,942</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in				
Capital Assets	29,941,361	27,294,108	51,888	66,949
Restricted	8,988,536	7,339,725	-	-
Unrestricted	(21,444,981)	(24,734,199)	200,656	71,283
Total Net Position	<u>\$ 17,484,916</u>	<u>\$ 9,899,634</u>	<u>\$ 252,544</u>	<u>\$ 138,232</u>

The District's largest net position component is the Net Investment in Capital Assets portion as shown above. Net Investment in Capital Assets represents resources that are subject to external restrictions on how they may be used. Within this category, the investment amount of \$29,941,360 represents primarily the capital investment. The Net Investment in Capital Assets, also includes the portion of capital assets not yet fully depreciated at June 30, 2021.

Restricted net position increased \$1,648,812 from the prior year to \$8,988,537 at June 30, 2021.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$21,444,982) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position for June 30, 2021 and 2020. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the District's Funds' section later in this report.

	<u>June 30, 2021</u>		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
Revenues and Special Items:			
Program Revenues:			
Charges for Services	\$ -	\$ 277,503	\$ 277,503
Operating Grants and Contributions	26,958,831	1,207,553	28,166,384
General Revenues:			
Property Taxes	70,138,194	-	70,138,194
Federal and State Aid	5,985,810	-	5,985,810
Miscellaneous	1,146,839	49,980	1,196,819
Total Revenues and Special Items	<u>104,180,584</u>	<u>1,535,036</u>	<u>105,715,620</u>
Expenses:			
Instructional Services	64,565,270	-	64,565,270
Support Services	32,375,256	1,420,724	33,795,980
Interest and Other Charges	204,409	-	204,409
Total Expenses	<u>97,144,935</u>	<u>1,420,724</u>	<u>98,565,659</u>
Change in Net Position	7,035,649	114,312	7,149,961
Net Position, Beginning*	10,449,267	138,232	10,587,499
Net Position, Ending	<u>\$ 17,484,916</u>	<u>\$ 252,544</u>	<u>\$ 17,737,460</u>

	<u>June 30, 2020</u>		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 1,228,364	\$ 1,228,364
Operating Grants and Contributions	17,534,226	288,796	17,823,022
General Revenues:			
Property Taxes	68,314,277	-	68,314,277
Federal and State Aid	5,972,460	-	5,972,460
Miscellaneous	1,500,554	55,322	1,555,876
Total Revenues	<u>93,321,517</u>	<u>1,572,482</u>	<u>94,893,999</u>
Expenses:			
Instructional Services	57,223,861	-	57,223,861
Support Services	30,196,216	1,791,541	31,987,757
Interest and Other Charges	303,090	-	303,090
Total Expenses	<u>87,723,167</u>	<u>1,791,541</u>	<u>89,514,708</u>
Change in Net Position	5,598,350	(219,059)	5,379,291
Net Position, Beginning	4,301,284	357,291	4,658,575
Net Position, Ending	<u>\$ 9,899,634</u>	<u>\$ 138,232</u>	<u>\$ 10,037,866</u>

*Beginning Net position was restated due to GASB 84.

As described in Note 19 to the financial statements, "Prior Period Adjustment/Restatement of Net Position", the District has adopted the provisions of GASB Statement No. 84, Fiduciary Activities, for the year ended June 30, 2021. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2020 in the amount of \$10,449,267, as indicated in Note 19 to the financial statements. The adoption of this principle resulted in a restatement of the District's opening General Fund fund balance and Special Revenue Fund fund balance as of July 1, 2020 in the amount of \$11,853,647 and \$269,982 respectively, as indicated in Note 19 to the financial statements.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2021 and 2020 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

<u>June 30, 2021</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2020	Percent of Increase (Decrease)
Local Tax Levy	\$ 70,138,194	75.62%	\$ 1,823,917	2.67%
Tuition Charges	927,171	1.00%	(208,165)	-18.34%
Miscellaneous	503,847	0.54%	124,464	32.81%
State Sources	19,536,778	21.06%	2,432,419	14.22%
Federal Sources	1,640,068	1.77%	37,490	2.34%
Total	\$ 92,746,058	100.00%	\$ 4,210,125	4.76%

<u>June 30, 2020</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2019	Percent of Increase (Decrease)
Local Tax Levy	\$ 68,314,277.00	77.16%	\$ 653,127	0.97%
Tuition Charges	1,135,336	1.28%	255,996	29.11%
Miscellaneous	379,383	0.43%	(26,679)	-6.57%
State Sources	17,104,359	19.32%	1,296,699	8.20%
Federal Sources	1,602,578	1.81%	233,177	17.03%
Total	\$ 88,535,933	100.00%	\$ 2,412,320	-5.80%

The Increase in the local tax levy increase necessary to support the District's 2020 - 2021 general fund budget. Tuition charges increased in 2020 - 2021 due to an increase in the number of students received from other districts into the District's programs.

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2021 and 2020 and the amount and percentage of increases and (decreases) in relation to prior year expenditures.

<u>June 30, 2021</u>				
	Amount	Percent Of Total	Increase (Decrease) From 2020	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 35,985,691	40.33%	\$ 1,320,689	3.81%
Undistributed	48,522,159	54.38%	2,181,768	4.71%
Capital Outlay	1,595,342	1.79%	(2,375,548)	-59.82%
Debt Service:				
Principal	2,660,000	2.98%	135,000	5.35%
Interest	458,058	0.51%	(115,699)	-20.17%
Total	\$ 89,221,250	100.00%	\$ 1,146,210	1.30%

June 30, 2020

	Amount	Percent Of Total	Increase (Decrease) From 2019	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 34,665,002	39.36%	\$ (13,068,672)	1.09%
Undistributed	46,340,391	52.61%	13,112,289	9.23%
Capital Outlay	3,970,890	4.51%	2,284,458	192.14%
Debt Service:				
Principal	2,525,000	2.87%	(140,816)	-17.97%
Interest	573,757	0.65%	(100,067)	-6.35%
Total	<u>\$ 88,075,040</u>	<u>100.00%</u>	<u>\$ 2,087,192</u>	<u>9.93%</u>

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2020-2021 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state's contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2020-2021 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2020-2021 unassigned fund balance increased by \$1,601,813 to \$3,332,288 (4% required per S-1701, net of allowable adjustments).

Proprietary Funds. The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$113,598 in 2020-2021 as compared to a change in net position of (\$207,029) in 2019-2020. Operating revenues decreased by 95.50% in 2020-2021 while operating expenses decreased 16.17%. The food service incurred an operating loss of (\$1,094,464) in 2020-2021, as compared to an operating loss of (\$505,825) in 2019-2020. Funding from the State and Federal Government under the State and National Programs increased \$918,757 from 2019-2020 to 2020-2021. The unrestricted net position of the food service program was \$120,108 and the restricted amount of Net Investment in Capital Assets totaled \$51,888 at June 30, 2021. Although the food service operation operating income is still a loss, the district has recognized an increase in Net Position in the current year due to nonoperating revenues. The District continues to consult with a food service advisor and maintains that the operating income will be profitable in the foreseeable future.

The Before and After School Programs Fund showed a change in net position of \$-0- in 2020-2021 as compared to a change in net position of (\$40,860) in 2019-2020. Operating revenues decreased by 32.59% in 2020-2021 while operating expenses decreased 34.59%. The Before and After School Program incurred an operating loss of (\$49,288) in 2020-2021, as compared to an operating loss of (\$86,182) in 2019-2020.

The Chromebook Enterprise Fund showed a change in net position of \$714 in 2020-2021. Operating revenues decreased by 98.16% in 2020-2021 while the fund has not incurred any operational expenses. The Chromebook Enterprise Fund incurred operating income of \$531 in 2020-2021, as compared to operating income of \$28,830 in 2019-2020.

Capital Assets

At June 30, 2021 the District has capital assets of \$38,715,994 net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2021</u>	
	Governmental	Business-Type
	Activities	Activities
Land	\$ 534,652	\$ -
Land Improvements	34,948,530	-
Buildings/Construction	251,542	-
Machinery and Equipment	2,929,382	51,888
Total	<u>\$ 38,664,106</u>	<u>\$ 51,888</u>

	<u>June 30, 2020</u>	
	Governmental	Business-Type
	Activities	Activities
Land	\$ 534,652	\$ -
Construction In Progress	-	-
Land Improvements	276,566	-
Buildings/Construction	34,838,212	-
Machinery and Equipment	3,457,674	66,949
Total	<u>\$ 39,107,104</u>	<u>\$ 66,949</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2021, the District's outstanding debt issues included \$690,000 and 7,130,000 respectively of general obligation bonds (2012 pension refunding bonds, and 2015 refunding bonds), \$61,498, \$165,332 and \$319,573 respectively of capital leases (2017 School Buses, 2019 School Buses, and 2020 School Buses) and \$1,687,545 in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2021-2022 budget will be adequate to satisfy all 2021-2022 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- At this time it appears that it will be a challenge to sustain the level of surplus utilization the District has used in funding budgets in recent years. The excess surplus available for use in the 2021-2022 budget is \$-0-.
- It is expected the State of New Jersey will again delay the final state aid payments to school districts for 2021-2022.

Requests for Information

This financial report is designed to provide a general overview of the Wall Township School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Wall Township Board of Education, 1620 18th Avenue, Wall, NJ 07719.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2021

	GOVERNMENTAL BUSINESS-TYPE		
	ACTIVITIES	ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 7,508,635	\$ 188,661	\$ 7,697,296
Receivables, Net (Note 4)	1,272,037	109,353	1,381,390
Inventory	-	2,963	2,963
Cash Held with Fiscal Agents	217,505	-	217,505
Restricted Cash & Cash Equivalents	8,449,656	-	8,449,656
Capital Assets, Net (Note 5)			
Non-Depreciable	534,652	-	534,652
Depreciable	38,129,454	51,888	38,181,342
Total Assets	56,111,939	352,865	56,464,804
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,505,434	-	3,505,434
Related to Loss on Debt Refunding	69,038	-	69,038
Total Deferred Outflow of Resources	3,574,472	-	3,574,472
LIABILITIES:			
Accounts Payable	872,645	38,065	910,710
Due to Other Governments	1,407,670	-	1,407,670
Unearned Revenue	17,864	50,180	68,044
Accrued Interest	188,350	-	188,350
Payroll Deductions & Withholdings	1,701	-	1,701
Unemployment Liability	103,160	-	103,160
Internal Balances	(12,076)	12,076	-
Other Current Liabilities	613,600	-	613,600
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,867,860	-	2,867,860
Due in More Than One Year	27,177,401	-	27,177,401
Total Liabilities	33,238,175	100,321	33,338,496
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	8,963,320	-	8,963,320
Total Deferred Inflow of Resources	8,963,320	-	8,963,320
NET POSITION:			
Net Investment in Capital Assets	29,941,361	51,888	29,993,249
Restricted for:			
Capital Projects	5,879,993	-	5,879,993
Emergency Reserve	780,752	-	780,752
Maintenance Reserve	1,788,911	-	1,788,911
Unemployment Reserves	281,889	-	281,889
Scholarship Reserve	30,099	-	30,099
Student Activities Reserve	226,892	-	226,892
Unrestricted (Deficit)	(21,444,981)	200,656	(21,244,325)
Total Net Position	\$ 17,484,916	\$ 252,544	\$ 17,737,460

The accompanying Notes to Financial Statements are an integral part of this statement.

**WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 40,948,829	\$ -	\$ 14,829,297	\$ (26,119,532)	\$ -	\$ (26,119,532)
Special Education Instruction	19,057,565	-	6,278,098	(12,779,467)	-	(12,779,467)
Vocational Education	950,667	-	124,261	(826,406)	-	(826,406)
Other Instruction	1,956,606	-	644,561	(1,312,045)	-	(1,312,045)
School Sponsored Cocurricular/Athletics	1,651,602	-	215,880	(1,435,722)	-	(1,435,722)
Support Services:						
Student & Instruction Related Services	10,471,758	-	1,368,758	(9,103,000)	-	(9,103,000)
General Administrative	1,324,784	-	173,162	(1,151,622)	-	(1,151,622)
School Administrative Services	4,322,841	-	1,168,643	(3,154,198)	-	(3,154,198)
Central Services	1,049,595	-	137,192	(912,403)	-	(912,403)
Administrative Info. Technology	1,055,400	-	137,951	(917,449)	-	(917,449)
Plant Operations & Maintenance	9,138,571	-	1,225,871	(7,912,700)	-	(7,912,700)
Pupil Transportation	5,012,307	-	655,156	(4,357,151)	-	(4,357,151)
Interest & Other Charges	204,409	-	-	(204,409)	-	(204,409)
Total Governmental Activities	97,144,935	-	26,958,831	(70,186,104)	-	(70,186,104)
Business-Type Activities:						
Food Service	1,132,465	38,001	1,207,553	-	113,089	113,089
Before and After School Programs	288,259	238,971	-	-	(49,288)	(49,288)
Chrome Books	-	531	-	-	531	531
Total Business-Type Activities	1,420,724	277,503	1,207,553	-	64,332	64,332
Total Primary Government	\$ 98,565,659	\$ 277,503	\$ 28,166,384	(70,186,104)	64,332	(70,121,772)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				67,782,856	-	67,782,856
Property Taxes, Levied for Debt Service				2,355,338	-	2,355,338
Federal & State Aid Restricted				759,517	-	759,517
Federal & State Aid Not Restricted				5,226,293	-	5,226,293
Tuition Charges				927,171	-	927,171
Miscellaneous				219,668	890	220,558
Board Contributions				(49,090)	49,090	-
Total General Revenues and Special Items				77,221,753	49,980	77,271,733
Change In Net Position				7,035,649	114,312	7,149,961
Net Position - Beginning (As Restated, Note 19)				10,449,267	138,232	10,587,499
Net Position - Ending				\$ 17,484,916	\$ 252,544	\$ 17,737,460

The accompanying Notes to Financial Statements are an integral part of this statement.

B. Fund Financial Statements

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Governmental Funds

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**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	
ASSETS				
Cash & Cash Equivalents	\$ 7,369,829	138,805.00	\$ 1	\$ 7,508,635
Cash Held with Fiscal Agents	217,505	-	-	217,505
Receivables, Net:				
Interfund Receivable	53,367	-	-	53,367
Due from Other Governments:				
Federal	-	160,578	-	160,578
State	995,582	5,000	-	1,000,582
Other Receivables	110,494	383	-	110,877
Restricted Cash & Cash Equivalents	8,449,656	-	-	8,449,656
Total Assets	\$ 17,196,433	\$ 304,766	\$ 1	\$ 17,501,200
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 825,259	\$ 47,386	\$ -	\$ 872,645
Intergovernmental Payable:				
State	-	389	-	389
Interfund Payable	41,290	-	1	41,291
Unearned Revenue	17,864	-	-	17,864
Other Current Liabilities	613,600	-	-	613,600
Payroll Deductions & Withholdings	1,701	-	-	1,701
Unemployment Liability	103,160	-	-	103,160
Total Liabilities	1,602,874	47,775	1	1,650,650
Fund Balances:				
Restricted for:				
Capital Reserve	5,879,993	-	-	5,879,993
Maintenance Reserve	1,788,911	-	-	1,788,911
Emergency Reserve	780,752	-	-	780,752
Unemployment Reserve	281,889	-	-	281,889
Scholarship Reserve	-	30,099	-	30,099
Student Activities Reserve	-	226,892	-	226,892
Assigned to:				
Other Purposes	2,779,146	-	-	2,779,146
Designated for Subsequent Year's Expenditures	1,164,728	-	-	1,164,728
Unassigned	2,918,140	-	-	2,918,140
Total Fund Balances	15,593,559	256,991	-	15,850,550
Total Liabilities & Fund Balances	\$ 17,196,433	\$ 304,766	\$ 1	
Amounts reported for governmental activities in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$72,384,818 and the accumulated depreciation is \$33,720,712.				38,664,106
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
Deferred Outflows Related to Pensions				3,505,434
Deferred Inflows Related to Pensions				(8,963,320)
Deferred Outflow Related to the Loss on Bond Refunding of Debt				69,038
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				(188,350)
Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(1,407,281)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(30,045,261)
Net Position of Governmental Activities				\$ 17,484,916

The accompanying Notes to Financial Statements are an integral part of this statement.

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021**

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 67,782,856	\$ -	\$ -	\$ 2,355,338	\$ 70,138,194
Tuition Charges	927,171	-	-	-	927,171
Miscellaneous	219,668	284,179	-	-	503,847
Total Local Sources	68,929,695	284,179	-	2,355,338	71,569,212
State Sources	18,723,697	58,142	-	754,939	19,536,778
Federal Sources	47,595	1,592,473	-	-	1,640,068
Total Revenues	87,700,987	1,934,794	-	3,110,277	92,746,058
Expenditures:					
Instruction:					
Regular Instruction	21,214,002	1,339,600	-	-	22,553,602
Special Education Instruction	10,496,436	-	-	-	10,496,436
Vocational Education	678,770	-	-	-	678,770
Other Instruction	1,077,650	-	-	-	1,077,650
School Sponsored CoCurricular/Athletics	1,179,233	-	-	-	1,179,233
Support Services:					
Attendance & Social Work Services	703,405	-	-	-	703,405
Health Services	702,531	-	-	-	702,531
Student & Instruction Related Services	5,467,221	603,607	-	-	6,070,828
General Administrative	945,887	-	-	-	945,887
School Administrative Services	3,086,479	-	-	-	3,086,479
Central Services	749,403	-	-	-	749,403
Administrative Information Technology	753,548	-	-	-	753,548
Plant Operations & Maintenance	6,696,250	-	-	-	6,696,250
Pupil Transportation	3,578,753	-	-	-	3,578,753
Unallocated Benefits	11,690,076	-	-	-	11,690,076
On Behalf TPAF Pension and Social Security Contributions	13,544,999	-	-	-	13,544,999
Capital Outlay	1,590,764	4,578	-	-	1,595,342
Debt Service:					
Principal	-	-	-	2,660,000	2,660,000
Interest & Other Charges	7,780	-	-	450,278	458,058
Total Expenditures	84,163,187	1,947,785	-	3,110,278	89,221,250
Excess/(Deficiency) of Revenues Over Expenditures					
	3,537,800	(12,991)	-	(1)	3,524,808
Other Financing Sources (Uses):					
Transfers In	251,202	-	-	-	251,202
Transfers Out	(49,090)	-	(251,202)	-	(300,292)
Total Other Financing Sources (Uses)	202,112	-	(251,202)	-	(49,090)
Net Changes in Fund Balances	3,739,912	(12,991)	(251,202)	(1)	3,475,718
Fund Balance, July 1 (As Restated, Note 19)	11,853,647	269,982	251,202	1	12,374,832
Fund Balance, June 30	\$ 15,593,559	\$ 256,991	\$ -	\$ -	\$ 15,850,550

The accompanying Notes to Financial Statements are an integral part of this statement

**WALL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Total Net Changes in Fund Balances - Governmental Funds (B-2)	\$	3,475,718
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$	(2,050,615)
Retirement of Fully Depreciated Capital Asset		(4,903)
Capital Outlays		<u>1,612,520</u>
		(442,998)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		722,174
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		2,900,736
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Premium on Bonds		225,736
Amortization of Loss on Bond Refunding		<u>(36,492)</u>
		189,244
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		64,405
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>126,370</u>
Change in Net Position of Governmental Activities	\$	<u><u>7,035,649</u></u>

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Proprietary Funds

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**WALL TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021**

	MAJOR FUNDS			
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	FOOD SERVICE	BEFORE AND AFTER SCHOOL PROGRAMS	CHROME BOOKS	TOTALS
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 137,473	\$ 21,644	\$ 29,544	\$ 188,661
Accounts Receivable:				
Federal	100,099	-	-	100,099
State	8,274	-	-	8,274
Other Receivables	-	980	-	980
Interfund Receivable	-	41,290	-	41,290
Inventories	2,963	-	-	2,963
Total Current Assets	248,809	63,914	29,544	342,267
Noncurrent Assets:				
Capital Assets	593,727	-	-	593,727
Less: Accumulated Depreciation	(541,839)	-	-	(541,839)
Total Capital Assets, Net	51,888	-	-	51,888
Total Noncurrent Assets	51,888	-	-	51,888
Total Assets	\$ 300,697	\$ 63,914	\$ 29,544	\$ 394,155
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 25,155	\$ 12,910	\$ -	\$ 38,065
Unearned Revenue	50,180	-	-	50,180
Interfund Payable	53,366	-	-	53,366
Total Current Liabilities	128,701	12,910	-	141,611
NET POSITION				
Net Investment in Capital Assets	51,888	-	-	51,888
Unrestricted	120,108	51,004	29,544	200,656
Total Net Position	\$ 171,996	\$ 51,004	\$ 29,544	\$ 252,544

The accompanying Notes to Financial Statements are an integral part of this statement.

**WALL TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2021**

	MAJOR FUNDS			
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	FOOD SERVICE	BEFORE AND AFTER SCHOOL PROGRAMS	CHROME BOOKS	TOTALS
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ -	\$ -	\$ -	\$ -
Daily Sales - Non-Reimbursable Programs	34,958	-	-	34,958
Program Fees	-	238,971	-	238,971
Miscellaneous	3,043	-	531	3,574
Total Operating Revenues	38,001	238,971	531	277,503
Operating Expenses:				
Cost of Sales - Reimbursable Programs	370,070	-	-	370,070
Cost of Sales - Non Reimbursable	3,299	-	-	3,299
Salaries	507,529	237,415	-	744,944
Employee Benefits	201,705	37,681	-	239,386
Depreciation	15,061	-	-	15,061
Purchased Property Services	-	13,163	-	13,163
Other	34,801	-	-	34,801
Total Operating Expenses	1,132,465	288,259	-	1,420,724
Operating Income/(Loss)	(1,094,464)	(49,288)	531	(1,143,221)
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	34,079	-	-	34,079
Federal Sources:				
National School Lunch Program	711,071	-	-	711,071
National School Breakfast Program	379,712	-	-	379,712
Food Distribution Program	82,691	-	-	82,691
Interest Revenue	509	198	183	890
Board Contribution	-	49,090	-	49,090
Total Nonoperating Revenues/(Expenses)	1,208,062	49,288	183	1,257,533
Change in Net Position	113,598	-	714	114,312
Total Net Position - Beginning	58,398	51,004	28,830	138,232
Total Net Position - Ending	\$ 171,996	\$ 51,004	\$ 29,544	\$ 252,544

The accompanying Notes to Financial Statements are an integral part of this statement.

**WALL TOWNSHIP BOARD OF EDUCATION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	MAJOR FUNDS			
	BUSINESS-TYPE			
	ACTIVITIES - ENTERPRISE FUNDS			
	FOOD SERVICE	BEFORE AND AFTER SCHOOL PROGRAMS	CHROME BOOKS	TOTALS
Cash Flows From Operating Activities:				
Receipts from Customers	\$ (50,667)	\$ 244,145	\$ 531	\$ 194,009
Payments to Employees	(507,529)	-	-	(507,529)
Payments for Employee Benefits	(201,705)	-	-	(201,705)
Payments to Suppliers	(249,921)	(298,028)	-	(547,949)
Net Cash Provided by/(Used for) Operating Activities	(1,009,822)	(53,883)	531	(1,063,174)
Cash Flows From Noncapital Financing Activities:				
State Sources	34,079	-	-	34,079
Federal Sources	1,090,783	-	-	1,090,783
Board Contributions	-	49,090	-	49,090
Net Cash Provided by/(Used for) Noncapital Financing Activities	1,124,862	49,090	-	1,173,952
Cash Flows From Investing Activities:				
Interest	509	198	183	890
Net Cash Provided by/(Used for) Investing Activities	509	198	183	890
Net Increase/(Decrease) in Cash & Cash Equivalents	115,549	(4,595)	714	111,668
Balances - Beginning of Year	21,924	26,239	28,830	76,993
Balances - End of Year	\$ 137,473	\$ 21,644	\$ 29,544	\$ 188,661
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Operating Income/(Loss)	\$ (1,094,464)	\$ (49,288)	\$ 531	\$ (1,143,221)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:				
Depreciation	15,061	-	-	15,061
Food Distribution Program	82,691	-	-	82,691
(Increase)/Decrease in Accounts Receivable, Net	(78,461)	46,464	-	(31,997)
(Increase)/Decrease in Inventories	(2,963)	-	-	(2,963)
(Increase)/Decrease in Interfund Accounts Receivable	-	(41,290)	-	(41,290)
Increase/(Decrease) in Interfund Accounts Payable	53,366	-	-	53,366
Increase/(Decrease) in Unearned Revenue	(10,207)	-	-	(10,207)
Increase/(Decrease) in Accounts Payable	25,155	(9,769)	-	15,386
Total Adjustments	84,642	(4,595)	-	80,047
Net Cash Provided/(Used) by Operating Activities	\$ (1,009,822)	\$ (53,883)	\$ 531	\$ (1,063,174)

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund
Not Applicable

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WALL TOWNSHIP BOARD OF EDUCATION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Wall Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The School District has an approximate enrollment at June 30, 2021 of 3,182 students.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards* , is whether:

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2021.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary fund:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

The School District reports the following non-major proprietary fund:

Before & After School Programs Fund – The before and after school programs fund accounts for the activities of the School District's before and after school program which provides summer classes to students in preparation for the upcoming school year and other before and after school programs.

Chrome Book Fund – The Chrome Book fund accounts for self-insurance on chrome books loaned out to students.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District's fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

The School District reports no fiduciary funds.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year-end.

Cash, Cash Equivalents and Investments

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Restricted Assets

Certain assets are classified as restricted on the balance sheet because they are maintained in separate bank accounts held by fiscal agents and their use is limited by Lease-Purchase Agreements and working capital amounts stipulated by health insurance agreements.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at acquisition value. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	15-20 Years
Buildings	40
Building Improvements	20 Years
Heavy Equipment	10-20 Years
Furniture and Equipment	6-10 Years
Computer Equipment	5 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting 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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 periods and so will not be recognized as an inflow of resources (revenue) until that time.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 16, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

For the year June 30, 2021 the District implemented GASB Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Districts's financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Districts's financial statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Districts's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$17,004,843 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	15,534,615
Uninsured and Uncollateralized		1,470,228
Total	\$	17,004,843

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 3. Reserve Accounts (Continued)

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	5,183,120
Increased by:		
Deposits Approved by Board		946,873
		6,129,993
Decreased by:		
Budget Withdrawals		250,000
Ending Balance, June 30, 2021	\$	5,879,993

Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve account are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	1,137,452
Increased by:		
Deposits Approved by Board		1,151,459
		1,637,452
Decreased by:		
Budget Withdrawals		500,000
Ending Balance, June 30, 2021	\$	1,788,911

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 3. Reserve Accounts (Continued)

Emergency Reserve

An emergency reserve account was established by the School District. The accumulation of funds will be used to finance unanticipated General Fund expenditures required for a thorough and efficient education in subsequent fiscal years.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	767,950
Increased by:		
Deposits Approved by Board		12,802
Ending Balance, June 30, 2021	\$	780,752

Unemployment Claim Reserve

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

The activity of the unemployment claim reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020 (Restated)	\$	279,651
Increased by:		
Interest Earnings		2,238
Ending Balance, June 30, 2021	\$	281,889

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2021, consisted of the following:

<u>Descriptor</u>	Governmental Funds		Total Governmental Activities
	<u>General Fund</u>	Special Revenue Fund	
Federal Awards	\$ -	\$ 160,578	\$ 160,578
State Awards	995,582	5,000	1,000,582
Other	110,494	383	110,877
Total	\$ 1,106,076	\$ 165,961	\$ 1,272,037

<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	<u>Food Service Fund</u>	Before And After School Programs Fund	
Federal Awards	\$ 100,099	\$ -	\$ 100,099
State Awards	8,274	-	8,274
Other	-	980	980
Total	\$ 108,373	\$ 980	\$ 109,353

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Governmental Activities			Balance June 30, 2021
	Balance July 1, 2020	Additions	Retirements and Transfers	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 534,652	\$ -	\$ -	\$ 534,652
Construction in Progress	-	-	-	-
Total Capital Assets not being depreciated	534,652	-	-	534,652
Capital Assets being depreciated:				
Buildings and Building Improvements	57,153,489	1,510,926	-	58,664,415
Improvements Other Than Buildings	2,280,531	-	-	2,280,531
Machinery and Equipment	10,846,413	101,594	(42,787)	10,905,220
Total Capital Assets being depreciated	70,280,433	1,612,520	(42,787)	71,850,166
Less: Accumulated Depreciation:				
Buildings and Building Improvements	(22,315,277)	(1,400,608)	-	(23,715,885)
Improvements Other Than Buildings	(2,003,965)	(25,024)	-	(2,028,989)
Machinery and Equipment	(7,388,739)	(624,983.00)	37,884	(7,975,838)
Total Accumulated Depreciation	(31,707,981)	(2,050,615)	37,884	(33,720,712)
Total Capital Assets being depreciated, net	38,572,452	(438,095)	(4,903)	38,129,454
Total Governmental Activities Capital Assets, net	\$ 39,107,104	\$ (438,095)	\$ (4,903)	\$ 38,664,106
Business-Type Activities				
	Balance July 1, 2020	Additions	Retirements and Transfers	Balance June 30, 2021
Business-Type Activities:				
Machinery and Equipment	\$ 593,727	\$ -	\$ -	\$ 593,727
Total Capital Assets being depreciated	593,727	-	-	593,727
Less: Accumulated Depreciation:				
Machinery and Equipment	(526,778)	(15,061)	-	(541,839)
Total Capital Assets being depreciated, net	(526,778)	(15,061)	-	(541,839)
Total Business-Type Activities Capital Assets, net	\$ 66,949	\$ (15,061)	\$ -	\$ 51,888

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School District as follows:

Governmental Activities

Instruction:

Regular Instruction	\$ 780,270
Special Education Instruction	363,137
Vocational Education	23,483
Other Instruction	37,283
School Sponsored Cocurricular/Athletics	40,797

Support Services:

Student & Instruction Related Services	258,668
General Administrative	32,724
School Administrative Services	106,781
Central Services	25,927
Administrative Info. Technology	26,070
Plant Operations & Maintenance	231,665
Pupil Transportation	123,811

Total Depreciation Expense - Governmental Activities	<u>\$ 2,050,616</u>
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Business-Type Activities

Food Service Fund	<u>\$ 15,061</u>
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Total Depreciation Expense - Business-Type Activities	<u>\$ 2,871,323</u>
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Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 53,367	\$ 41,290
Debt Service Fund	-	1
Before and After-School Programs	41,290	-
Food Service Fund	-	53,366
	<u>\$ 94,657</u>	<u>\$ 94,657</u>

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 251,202	\$ 49,090
Capital Projects Fund	-	251,202
Before and After School Programs	49,090	-
	<u>\$ 300,292</u>	<u>\$ 300,292</u>

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 10,480,000	\$ -	\$ 2,660,000	\$ 7,820,000	\$ 2,435,000
Capital Leases	787,140	-	240,736	546,404	246,889
Unamortized Bond Premiums	651,115	-	225,736	425,379	185,971
Compensated Absences	1,813,915	196,840	323,210	1,687,545	-
Net Pension Liability	21,352,885	-	1,786,952	19,565,933	-
	<u>\$ 35,085,055</u>	<u>\$ 196,840</u>	<u>\$ 5,236,634</u>	<u>\$ 30,045,261</u>	<u>\$ 2,867,860</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

During July 2012, the School District issued \$3,790,000 of Pension Refunding Bonds. The Pension Refunding Bonds were issued at an interest rate of 4.202% and matures on July 15, 2027.

During April 2015, the School District issued \$17,515,000 of School Refunding Bonds. The School Refunding Bonds were issued at interest rates varying from 4.000% to 5.000% and matures on July 15, 2023.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 7. Long-Term Obligations (Continued)

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,435,000	\$ 324,958	\$ 2,759,958
2023	2,460,000	203,281	2,663,281
2024	2,505,000	79,894	2,584,894
2025	100,000	15,547	115,547
2026	105,000	11,240	116,240
2027-2029	215,000	9,139	224,139
	<u>\$ 7,820,000</u>	<u>\$ 644,059</u>	<u>\$ 8,464,059</u>

Capital Lease Payable

The School District is leasing buses and equipment under capital leases. All capital leases are for terms of five years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ 261,021
2023	198,202
2024	111,821
	<u>571,044</u>
Total Minimum Lease Payments	571,044
Less: Amount Representing Interest	(24,640)
Present Value of Minimum Lease Payments	<u>\$ 546,404</u>

Amortization of the leased equipment and improvements under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

As of June 30, 2021, the School District had no bonds authorized but not issued.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$19,565,933 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.11998204%, which was an increase of 0.0014765851% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$590,643 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 356,263	\$ 69,194
Changes of Assumptions	634,741	8,192,441
Net Difference between Projected and Actual Earnings on Pension Plan Investments	668,779	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	438,371	701,685
School District contributions subsequent to measurement date	1,407,281	-
	\$ 3,505,435	\$ 8,963,320

\$1,407,281 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2020-2021 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.11%. The payable is due on April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Year Ending June 30,	
2022	\$ (2,037,180)
2023	(2,514,116)
2024	(1,547,855)
2025	(664,444)
2026	(101,571)
	<u>\$ (6,865,166)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.73
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation Rate	2.75%
Wage Rate	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate of Return	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the School 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 of 1-percentage point higher than the current rate:

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 24,823,923	\$ 19,565,933	\$ 15,388,790

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective Deferred Outflows of Resources	\$ 2,347,583,337	\$ 3,149,522,616
Collective Deferred Inflows of Resources	7,849,949,467	7,645,087,574
Collective Net Pension Liability	16,435,616,426	18,143,832,135
School District's portion	0.11998%	0.11851%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

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

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$189,793,410. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.288260875%, which was an increase of 0.0037750410% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized a pension expense in the amount of \$11,802,162 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2020 measurement date.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% Based on Years of Service
Thereafter	2.75% - 5.65%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Credit	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

	At 1% Decrease <u>(4.40%)</u>	At Current Discount Rate <u>(5.40%)</u>	At 1% Increase <u>(6.40%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 222,934,588	\$ 189,793,410	\$ 162,275,225

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

	<u>6/30/2021</u>	<u>6/30/2020</u>
Collective Deferred Outflows of Resources	\$ 9,626,548,228	\$ 10,129,162,237
Collective Deferred Inflows of Resources	14,591,988,841	17,736,240,054
Collective Net Pension Liability	65,993,498,688	61,519,112,443
State's Proportionate Share associated with the District	0.28823%	0.28445%

C. Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 8. Pension Plans (Continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$79,414, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$43,011.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$220,577,712. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.3252880602%, which was an increase of 0.0025626140% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$10,850,965.00 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
The Schedule presents the State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 265,917,817	\$ 220,577,712	\$ 185,126,116
State of New Jersey's Total Nonemployer OPEB Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 178,057,768	\$ 220,577,712	\$ 271,209,515
State of New Jersey's Total Nonemployer OPEB	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	11,534,251,250	(7,737,500,827)
Contributions Made in Fiscal Year Year Ending 2021 After June 30, 2020 Measurement Date **	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)

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

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	4,704,163,473
	\$ 4,921,365,558

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2020) is as follows:

Total OPEB Liability	
Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	(1,180,515,618)
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	41,729,081,045
Total OPEB Liability (Ending)	\$ 67,809,962,608
Total Covered Employee Payroll	14,267,738,657
Net OPEB Liability as a Percentage of Payroll	475%

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$8,514,263, \$2,668,238 and \$4,845, respectively.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 11. Risk Management

Property and Liability Insurance – The School District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the School District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

Self Health Insurance – The School District has established a health and prescription plan for its employees. The plan was established during the fiscal year ended June 30, 2011. Transactions related to the plan are accounted for in the General Fund. The School District funds the entire cost of the plan. Claims are paid directly by the plan.

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2021, are reported as claims and judgments payable and accrued liability for insurance claims, respectively. These estimates were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$613,600 reported at June 30, 2021 is based on the requirements of the *Governmental Accounting Standards* Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Joint Insurance Pool – The School District is a member of the School Excess Liability Joint Insurance Fund (SEL) and Diploma Joint Insurance Fund. The Funds are risk sharing public entity pools, established for the purpose of insuring against worker's compensation claims and various other types of coverage.

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

The Funds provides their members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 11. Risk Management (Continued)

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending unemployment claims fund balance and/or unemployment trust liability of the School District for the current year and previous two years.

		Ending Balance			
Fiscal Year	Contributions	Amount Reimbursed	Restricted Unemployment Fund Balance	Unemployment Trust Liability	
2021	\$ 107,013	\$ 1,615	\$ 281,889	\$ 103,160	
2020	80,841	69,819	279,651	-	
2019	78,657	51,387	268,629	-	

*Starting on July 1, 2020 Unemployment is accounted for in the General Fund

As of June 30, 2021 the State provided quarterly bills for the previous four quarters have not been provided in the fiscal year. The District has accrued a liability for estimated employment claims.

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts' attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District's programs and activities.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable
Security Benefit

Lincoln Financial Life
Valic

Met Life

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported was \$1,687,545.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises 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. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (Continued)**

Note 15. Tax Abatements (Continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$-0-.

Note 17. Fund Balances

General Fund – Of the \$15,593,559 General Fund fund balance at June 30, 2021, \$5,879,993 has been restricted for the Capital Reserve Account; \$1,788,911 has been restricted for the Maintenance Reserve Account; \$780,752 has been restricted for the Emergency Reserve Account; \$281,889 has been restricted for Unemployment Claims; \$2,779,146 has been assigned to other purposes; \$1,164,728 has been Designated for Subsequent Year's Expenditures and \$2,918,140 has been unassigned.

Special Revenue Fund – Of the \$256,991 Special Revenue Fund fund balance at June 30,2021, \$226,892\$ is restricted for Student Activities and \$30,099 is restricted for Scholarships.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$21,444,982 at June 30, 2021. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

Note 19: Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net Position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

Net Position as previously reported at June 30, 2020	\$ 9,899,634
Prior Period Adjustment- Implementation of GASB 84:	
Restricted Fund Balance-Unemployment	279,651
Restricted Fund Balance-Student Activities	234,117
Restricted Fund Balance- Scholarship	<u>35,865</u>
Total Prior Period Adjustment	<u>549,633</u>
Net Position as restated, July 1, 2020	<u>\$ 10,449,267</u>

Fund Balance in the General Fund and the Special Revenue Fund as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Funds*.

	General Fund	Special Revenue Fund
Fund Balance as previously reported at June 30, 2020	\$ 11,573,996	\$ -
Prior Period Adjustment- Implementation of GASB 84:		
Restricted Fund Balance-Unemployment	279,651	-
Restricted Fund Balance-Student Activities	-	234,117
Restricted Fund Balance- Scholarship	<u>-</u>	<u>35,865</u>
Total Prior Period Adjustment	<u>279,651</u>	<u>269,982</u>
Fund Balance as restated, July 1, 2020	<u>\$ 11,853,647</u>	<u>\$ 269,982</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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WALL TOWNSHIP BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

ACCOUNT NUMBERS	JUNE 30, 2021				VARIANCE FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Sources:						
Local Tax Levy	10-1210	\$ 67,782,856	\$ -	\$ 67,782,856	\$ 67,782,856	\$ -
Tuition From Individuals	10-1310	215,000	-	215,000	234,679	19,679
Tuition From LEAs Within State	10-1320	828,000	-	828,000	692,492	(135,508)
Transportation Fees from Other LEA's	10-1420	5,000	-	5,000	500	(4,500)
Interest	10-1510	110,000	-	110,000	115,254	5,254
Interest on Unemployment Reserve	10-1513	-	-	-	2,238	2,238
Rents and Royalties	10-1910	140,000	-	140,000	20,800	(119,200)
Miscellaneous	10-1950	171,000	-	171,000	80,876	(90,124)
Total Local Sources		69,251,856	-	69,251,856	68,929,695	(322,161)
State Sources:						
Categorical Transportation Aid	10-3121	1,204,850	-	1,204,850	1,204,850	-
Extraordinary Aid	10-3131	400,000	-	400,000	881,591	481,591
Categorical Special Education Aid	10-3132	2,878,985	(162,385)	2,716,600	2,716,600	-
Categorical Security Aid	10-3177	341,937	-	341,937	341,937	-
Other Unrestricted State Aid	10-3190	15,061	-	15,061	41,174	26,113
Nonbudgeted:						
TPAF - Post Retirement Medical (Noncash Assistance)		-	-	-	2,668,238	2,668,238
TPAF - Pension Contributions (Noncash Assistance)		-	-	-	8,514,263	8,514,263
TPAF - Long-Term Disability Insurance (Noncash Assistance)		-	-	-	4,845	4,845
Reimbursed TPAF Social Security Contributions		-	-	-	2,357,653	2,357,653
Total State Sources		4,840,833	(162,385)	4,678,448	18,731,151	14,052,703
Federal Sources:						
Medicaid Reimbursement	10-4200	70,775	-	70,775	47,595	(23,180)
Total Federal Sources		70,775	-	70,775	47,595	(23,180)
Total Revenues		74,163,464	(162,385)	74,001,079	87,708,441	13,707,362

WALL TOWNSHIP BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Current Expense:						
Regular Programs - Instruction:						
Kindergarten - Salaries of Teachers	11-110-100-101	931,525	(20,991)	910,534	910,534	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	6,574,169	134,334	6,708,503	6,617,748	90,755
Grades 6-8 - Salaries of Teachers	11-130-100-101	4,675,779	45,341	4,721,120	4,685,722	35,398
Grades 9-12 - Salaries of Teachers	11-140-100-101	7,390,570	(221,009)	7,169,561	7,150,356	19,205
Regular Programs - Home Instruction:						
Salaries of Teachers	11-150-100-101	145,000	-	145,000	124,364	20,636
Purchased Professional - Educational Services	11-150-100-320	40,000	-	40,000	16,426	23,574
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	44,634	-	44,634	44,634	-
Purchased Professional - Educational Services	11-190-100-320	264,187	(59,083)	205,104	189,278	15,826
Other Purchased Services	11-190-100-500	116,900	(31,000)	85,900	70,569	15,331
General Supplies	11-190-100-610	1,703,958	(177,340)	1,526,618	1,299,431	227,187
Textbooks	11-190-100-640	80,741	24,228	104,969	104,123	846
Other Objects	11-190-100-800	2,500	(1,683)	817	817	-
Total Regular Programs - Instruction		21,969,963	(307,203)	21,662,760	21,214,002	448,758
Special Education - Instruction:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	376,600	213,360	589,960	589,270	690
Other Salaries for Instruction	11-204-100-106	155,294	(22,945)	132,349	119,291	13,058
Total Learning and/or Language Disabilities		591,894	153,415	745,309	708,561	36,748
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	141,800	-	141,800	141,727	73
Other Salaries for Instruction	11-209-100-106	103,505	1	103,506	88,426	15,080
General Supplies	11-209-100-610	13,000	2,000	15,000	5,110	9,890
Total Behavioral Disabilities		258,305	2,001	260,306	235,263	25,043
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	490,520	(167,587)	322,933	319,169	3,764
Other Salaries for Instruction	11-212-100-106	153,768	5,424	159,192	159,191	1
General Supplies	11-212-100-610	26,000	-	26,000	23,438	2,562
Other Purchased Services	11-212-100-500	700	-	700	-	700
Total Multiple Disabilities		670,988	(162,163)	508,825	501,798	7,027
Resource Room/Resource Center:						
Salaries of Teachers	11-213-100-101	5,995,634	172,010	6,167,644	6,086,845	80,799
Other Salaries	11-213-100-106	753,410	-	753,410	655,047	98,363
General Supplies	11-213-100-610	36,200	-	36,200	29,842	6,358
Total Resource Room/Resource Center		6,785,244	172,010	6,957,254	6,771,734	185,520

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Preschool Disabilities - Part-Time:						
Salaries of Teachers	11-215-100-101	262,225	-	262,225	261,688	537
Other Salaries for Instruction	11-215-100-106	134,354	-	134,354	131,180	3,174
General Supplies	11-215-100-610	4,500	-	4,500	1,994	2,506
Total Preschool Disabilities - Part-Time		401,079	-	401,079	394,862	6,217
Total Special Education - Instruction		8,707,510	165,263	8,872,773	8,612,218	260,555
Basic Skills/Remedial-Instruction						
Salaries of Teachers	11-230-100-101	907,750	-	907,750	891,122	16,628
Total Basic Skills/Remedial-Instruction		907,750	-	907,750	891,122	16,628
Bilingual Education-Instruction:						
Salaries of Teachers	11-240-100-101	190,500	-	190,500	186,528	3,972
General Supplies	11-240-100-610	2,000	-	2,000	-	2,000
Total Bilingual Education-Instruction		192,500	-	192,500	186,528	5,972
School-Sponsored Cocurricular/Extra Curricular Activities - Instruction:						
Salaries	11-401-100-100	327,423	10,117	337,540	326,140	11,400
Total School-Sponsored Cocurricular/Extra Curricular Activities - Instruction		327,423	10,117	337,540	326,140	11,400
School-Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	657,177	-	657,177	634,495	22,682
Purchased Services	11-402-100-500	194,787	-	194,787	153,133	41,654
Supplies and Materials	11-402-100-600	101,618	-	101,618	65,465	36,153
Total School-Sponsored Athletics - Instruction		953,582	-	953,582	853,093	100,489
Undistributed Expenditures - Instruction (Tuition):						
Tuition to Other LEAs Within State - Special	11-000-100-562	-	8,434	8,434	8,433	1
Tuition to County Vocational School - Regular	11-000-100-563	491,400	38,871	530,271	530,270	1
Tuition to County Vocational School - Special	11-000-100-564	156,000	(7,500)	148,500	148,500	-
Tuition to County Special Services & Regular Day Schools	11-000-100-565	312,104	(18,863)	293,241	258,090	35,151
Tuition to Private School Disabled Within State	11-000-100-566	1,708,024	(20,942)	1,687,082	1,617,695	69,387
Total Undistributed Expenditures - Instruction (Tuition)		2,667,528	-	2,667,528	2,562,988	104,540
Undistributed Expenditures Attendance and Social Work:						
Salaries	11-000-211-100	37,765	-	37,765	37,765	-
Salary of Family Liaisons	11-000-211-173	717,913	(52,273)	665,640	665,640	-
Total Undistributed Expenditures Attendance and Social Work		755,678	(52,273)	703,405	703,405	-

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undistributed Expenditures - Health Services:						
Salaries	11-000-213-100	580,200	35,907	616,107	616,012	95
Purchased Professional & Technical Services	11-000-213-300	19,000	30,000	49,000	38,262	10,738
Other Purchased Services	11-000-213-500	5,000	-	5,000	603	4,397
Supplies and Materials	11-000-213-600	25,000	27,200	52,200	47,654	4,546
Total Undistributed Expenditures - Health Services		629,200	93,107	722,307	702,531	19,776
Undistributed Expenditures - Speech, OT, PT and Related Services:						
Salaries	11-000-216-100	870,375	(27,381)	842,994	833,554	9,440
Purchased Professional - Educational Services	11-000-216-320	229,245	20,000	249,245	192,460	56,785
Supplies and Materials	11-000-216-600	3,775	-	3,775	2,448	1,327
Total Undistributed Expenditures - Speech, OT, PT and Related Services		1,103,395	(7,381)	1,096,014	1,028,462	67,552
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	1,221,553	(337,408)	884,145	869,586	14,559
Purchased Professional Educational Services	11-000-217-320	150,000	-	150,000	94,502	55,498
Supplies and Materials	11-000-217-600	16,500	-	16,500	-	16,500
Other Objects	11-000-217-800	18,000	-	18,000	1,240	16,760
Total Other Support Services - Students - Extra Services		1,406,053	(337,408)	1,068,645	965,328	103,317
Undistributed Expenditures - Guidance:						
Salaries of Other Professional Staff	11-000-218-104	725,510	13,454	738,964	738,964	-
Salaries of Secretaries & Clerical Assistants	11-000-218-105	215,125	-	215,125	213,604	1,521
Supplies and Materials	11-000-218-600	27,490	(1,901)	25,589	18,797	6,792
Total Undistributed Expenditures - Guidance		968,125	11,553	979,678	971,365	8,313
Undistributed Expenditures - Child Study Teams:						
Salaries of Other Professional Staff	11-000-219-104	1,532,615	(44,893)	1,487,722	1,464,075	23,647
Salaries of Secretaries & Clerical Assistants	11-000-219-105	159,060	-	159,060	159,060	-
Other Purchased Professional & Technical Services	11-000-219-390	92,164	15,000	107,164	94,174	12,990
Other Purchased Services	11-000-219-500	6,700	-	6,700	1,679	5,021
Supplies and Materials	11-000-219-600	30,200	-	30,200	20,787	9,413
Total Undistributed Expenditures - Child Study Teams		1,820,739	(29,893)	1,790,846	1,739,775	51,071
Undistributed Expenditures - Improvement of Instruction Services:						
Salaries of Supervisors of Instruction	11-000-221-102	751,448	(80,594)	670,854	525,542	145,312
Supplies and Materials	11-000-221-600	3,000	-	3,000	803	2,197
Other Objects	11-000-221-800	3,000	-	3,000	1,540	1,460
Total Undistributed Expenditures - Improvement of Instruction Services		757,448	(80,594)	676,854	527,885	148,969

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undistributed Expenditures -						
Educational Media Services/Library:						
Salaries	11-000-222-100	321,226	(172,443)	148,783	148,779	4
Other Purchased Services	11-000-222-500	8,500	-	8,500	6,791	1,709
Supplies and Materials	11-000-222-600	79,412	(3,000)	76,412	66,984	9,428
Total Undistributed Expenditures -		409,138	(175,443)	233,695	222,554	11,141
Educational Media Services/Library						
Undistributed Expenditures -						
Instructional Staff Training Services:						
Other Salaries	11-000-223-110	5,600	-	5,600	2,554	3,046
Other Purchased Services	11-000-223-500	52,179	-	52,179	8,920	43,259
Purchased Professional - Educational Services	11-000-223-600	2,500	-	2,500	378	2,122
Total Undistributed Expenditures -		60,279	-	60,279	11,852	48,427
Instructional Staff Training Services						
Undistributed Expenditures -						
Support Services - General Administration:						
Salaries	11-000-230-100	482,386	(10,149)	472,237	471,176	1,061
Legal Services	11-000-230-331	138,840	103,000	241,840	114,457	127,383
Audit Fees	11-000-230-332	48,000	-	48,000	41,000	7,000
Architectural/Engineering Services	11-000-230-334	12,000	(8,000)	4,000	-	4,000
Other Purchased Professional Services	11-000-230-339	58,520	(41,000)	17,520	5,470	12,050
Communications/Telephone	11-000-230-530	146,100	(12,000)	134,100	102,081	32,019
BOE Other Purchased Professional Services	11-000-230-585	4,500	-	4,500	342	4,158
Other Purchased Services	11-000-230-590	121,200	53,126	174,326	167,275	7,051
General Supplies	11-000-230-610	14,250	(575)	13,675	11,365	2,310
Judgements Against School District	11-000-230-820	50,000	(50,000)	-	-	-
Miscellaneous Expenditures	11-000-230-890	5,000	575	5,575	5,158	417
BOE Membership Dues and Fees	11-000-230-895	29,000	-	29,000	27,563	1,437
Total Undistributed Expenditures -		1,109,796	34,977	1,144,773	945,887	198,886
Support Services - General Administration						
Undistributed Expenditures -						
Support Services - School Administration:						
Salaries of Principals/Assistant Principals	11-000-240-103	1,665,275	52,015	1,717,290	1,711,651	5,639
Salaries of Other Professional Staff	11-000-240-104	720,670	(98,798)	621,872	614,668	7,204
Salaries of Secretaries & Clerical Assistants	11-000-240-105	764,635	(57,068)	707,567	697,604	9,963
Other Purchased Services	11-000-240-500	22,975	(174)	22,801	8,108	14,693
Supplies and Materials	11-000-240-600	80,360	(1,236)	79,124	54,368	24,756
Other Objects	11-000-240-800	1,650	-	1,650	80	1,570
Total Undistributed Expenditures -		3,255,565	(105,261)	3,150,304	3,086,479	63,825
Support Services - School Administration						

WALL TOWNSHIP BOARD OF EDUCATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2021

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undistributed Expenditures - Central Services:						
Salaries	11-000-251-100	578,242	(4,841)	573,401	573,401	-
Purchased Professional Services	11-000-251-330	152,420	29,195	181,615	142,132	39,483
Miscellaneous Purchased Services	11-000-251-592	32,000	(24,107)	7,893	7,444	449
Supplies and Materials	11-000-251-600	24,000	1,226	25,226	24,990	236
Other Objects	11-000-251-890	1,500	-	1,500	1,436	64
Total Undistributed Expenditures - Central Services		788,162	1,473	789,635	749,403	40,232
Undistributed Expenditures - Administrative Information Technology:						
Salaries	11-000-252-100	398,258	11,427	409,685	409,685	-
Purchased Technical Services	11-000-252-340	236,987	131,100	368,087	330,653	37,434
Other Purchased Services	11-000-252-500	4,300	-	4,300	175	4,125
Supplies and Materials	11-000-252-600	15,000	-	15,000	13,035	1,965
Total Undistributed Expenditures - Administrative Information Technology		654,545	142,527	797,072	753,548	43,524
Undistributed Expenditures - Required Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	388,952	(103,500)	285,452	147,923	137,529
General Supplies	11-000-261-610	166,002	57,500	223,502	141,494	82,008
Total Undistributed Expenditures - Required Maintenance for School Facilities		554,954	(46,000)	508,954	289,417	219,537
Undistributed Expenditures - Custodial Services:						
Salaries	11-000-262-100	2,897,330	509,881	3,407,211	2,929,842	477,369
Salaries of Non-Instructional Aids	11-000-262-107	495,222	(104,001)	391,221	369,751	21,470
Purchased Professional & Technical Services	11-000-262-300	39,050	204,000	243,050	174,665	68,385
Cleaning, Repair & Maintenance Services	11-000-262-420	254,246	(56,894)	197,352	105,035	92,317
Rental of Land & Buildings, Other Than Lease	11-000-262-441	51,000	-	51,000	50,587	413
Other Purchased Property Services	11-000-262-490	186,000	-	186,000	172,094	13,906
Insurance	11-000-262-520	598,885	(41,235)	557,650	556,814	836
Travel	11-000-262-580	-	1,000	1,000	365	635
Miscellaneous Purchased Services	11-000-262-590	4,300	(1,000)	3,300	3,240	60
General Supplies	11-000-262-610	283,148	70,783	353,931	338,050	15,881
Energy (Natural Gas)	11-000-262-621	389,025	60,000	449,025	407,812	41,213
Energy (Electricity)	11-000-262-622	675,000	(50,000)	625,000	428,088	196,912
Other Objects	11-000-262-800	3,000	-	3,000	475	2,525
Total Undistributed Expenditures - Custodial Services		5,876,206	592,534	6,468,740	5,536,818	931,922
Undistributed Expenditures - Care and Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	165,168	21,000	186,168	173,229	12,939
General Supplies	11-000-263-610	55,000	14,000	69,000	59,370	9,630

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Total Undistributed Expenditures - Care and Upkeep of Grounds		220,168	35,000	255,168	232,599	22,569
Security:						
Salaries	11-000-266-100	651,583	-	651,583	587,002	64,581
Purchased Professional & Technical Services	11-000-266-300	35,750	-	35,750	27,355	8,395
Cleaning, Repair & Maintenance	11-000-266-420	25,636	-	25,636	17,540	8,096
General Supplies	11-000-266-610	8,500	-	8,500	5,519	2,981
Total Security		721,469	-	721,469	637,416	84,053
Undistributed Expenditures - Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	230,654	(23,880)	206,774	192,483	14,291
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,497,188	(202,800)	1,294,388	1,283,721	10,667
Salaries of Pupil Transportation (Between Home & School) - Special Education	11-000-270-161	512,460	(87,000)	425,460	400,165	25,295
Salaries of Pupil Transportation (Other Than Between Home & School) - Regular	11-000-270-162	65,000	(21,000)	44,000	43,926	74
Salaries of Pupil Transportation (Between Home & School) - Nonpublic	11-000-270-163	55,712	-	55,712	49,444	6,268
Other Purchased Professional & Technical Services	11-000-270-390	50,500	-	50,500	34,144	16,356
Cleaning, Repair & Maintenance Services	11-000-270-420	100,000	(36,000)	64,000	22,738	41,262
Lease Purchase Payments - School Buses	11-000-270-443	353,000	-	353,000	352,999	1
Contract Services (Aide in Lieu) - Non Public Schools	11-000-270-503	95,000	61,103	156,103	53,102	103,001
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	20,000	-	20,000	14,075	5,925
Contract Services (Special Education) - Vendors	11-000-270-514	14,441	26,897	41,338	35,363	5,975
Contract Services (Special Education) - Joint Agreements	11-000-270-515	65,595	(33,000)	32,595	31,847	748
Contract Services (Regular) ESC's	11-000-270-517	661,585	(88,000)	573,585	174,738	398,847
Contract Services (Special Education) - ESC's	11-000-270-518	1,066,367	(63,000)	1,003,367	615,393	387,974
Miscellaneous Purchased Services - Transportation	11-000-270-593	75,500	(4,028)	71,472	71,376	96
General Supplies	11-000-270-610	10,500	-	10,500	6,455	4,045
Transportation Supplies	11-000-270-615	325,542	(45,000)	280,542	196,784	83,758
Miscellaneous Expenditures	11-000-270-800	500	-	500	-	500
Total Undistributed Expenditures - Student Transportation Services		5,199,544	(515,708)	4,683,836	3,578,753	1,105,083
Unallocated Benefits:						
Group Insurance	11-000-291-210	17,000	-	17,000	13,846	3,154
Social Security Contributions	11-000-291-220	1,029,000	39,473	1,068,473	1,068,473	-
Other Retirement Contributions - PERS	11-000-291-241	1,211,000	79,455	1,290,455	1,273,804	16,651
Other Retirement Contributions - Regular	11-000-291-249	48,500	1,452	49,952	49,952	-
Workmen's Compensation	11-000-291-260	630,000	(31,863)	598,137	598,137	-
Health Benefits	11-000-291-270	9,808,156	413,000	10,221,156	8,196,899	2,024,257
Tuition Reimbursement	11-000-291-280	25,000	-	25,000	14,995	10,005
Other Employee Benefits	11-000-291-290	419,260	4,381	423,641	423,641	-
Unused Sick Payment to Staff - Mass Severance	11-000-291-298	-	25,629	25,629	25,629	-
Unused Sick Payment to Staff	11-000-291-299	35,880	(11,180)	24,700	24,700	-
Total Unallocated Benefits		13,223,796	520,347	13,744,143	11,690,076	2,054,067

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Nonbudgeted:						
TPAF - Post Retirement Medical (Noncash Assistance)		-	-	-	2,668,238	(2,668,238)
TPAF - Pension Contributions (Noncash Assistance)		-	-	-	8,514,263	(8,514,263)
TPAF - Long-Term Disability Insurance (Noncash Assistance)		-	-	-	4,845	(4,845)
Reimbursed TPAF Social Security Contributions		-	-	-	2,357,653	(2,357,653)
Total Undistributed Expenditures		42,181,788	81,557	42,263,345	50,481,540	(8,218,195)
Total Expenditures - Current Expense		75,240,516	(50,266)	75,190,250	82,564,643	(7,374,393)
Equipment:						
Grades 9-12	12-140-100-730	-	9,100	9,100	9,100	-
School-Sponsored & Other Instructional Programs	12-400-100-730	53,740	-	53,740	48,421	5,319
Undistributed Expenditures:						
Non-Instructional Services	12-000-300-730	170,000	(20,000)	150,000	20,727	129,273
Total Equipment		223,740	(10,900)	212,840	78,248	134,592
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	17,720	53,398	71,118	21,255	49,863
Construction Services	12-000-400-450	2,504,544	(53,398)	2,451,146	1,491,261	959,885
Assessment for Debt Service on SDA Funding	12-000-400-896	7,780	-	7,780	7,780	-
Total Facilities Acquisition & Construction Services		2,530,044	-	2,530,044	1,520,296	1,009,748
Total Capital Outlay		2,753,784	(10,900)	2,742,884	1,598,544	1,144,340
Transfer of Funds to Charter Schools	10-000-100-560	80,858	-	80,858	-	80,858
Total Expenditures		78,075,158	(61,166)	78,013,992	84,163,187	(6,149,195)
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)						
		(3,911,694)	(101,219)	(4,012,913)	3,545,254	7,558,167
Other Financing Sources/(Uses):						
Transfers In/(Out):						
Transfers to Cover Deficit (Enterprise Funds)		-	(61,166)	(61,166)	(49,090)	12,076
Transfer from Capital Projects Fund		-	-	-	251,202	251,202
Total Other Financing Sources/(Uses)		-	(61,166)	(61,166)	202,112	263,278
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)						
		(3,911,694)	(162,385)	(4,074,079)	3,747,366	7,821,445

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Fund Balances, July 1 (As Restated)	12,260,342	-	12,260,342	12,260,342	-
Fund Balances, June 30	\$ 8,348,648	\$ (162,385)	\$ 8,186,263	\$ 16,007,708	\$ 7,821,445

RECAPITULATION OF BUDGET TRANSFERS

Board Approved Fund Balance Withdrawal	\$ 162,385
	\$ 162,385

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 5,879,993
Maintenance Reserve	1,788,911
Emergency Reserve	780,752
Reserve for Unemployment Claims	281,889
Assigned Fund Balance:	
Year-End Encumbrances	2,779,146
Designated for Subsequent Year's Expenditures	1,164,728
Unassigned Fund Balance	<u>3,332,289</u>
Subtotal	16,007,708
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments not recognized on GAAP basis	<u>(414,149)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 15,593,559</u>

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ -	\$ 297,394	\$ 297,394	\$ 284,179	\$ 13,215
State Sources	65,000	(6,469)	58,531	58,142	389
Federal Sources	1,133,965	861,499	1,995,464	1,619,664	375,800
Total Revenues	1,198,965	1,152,424	2,351,389	1,961,985	389,404
Expenditures:					
Instruction:					
Salaries of Teachers	259,872	292,024	551,896	383,302	168,594
Purchased Professional - Educational Services	-	36,696	36,696	14,246	22,450
Tuition	812,000	(22,000)	790,000	790,000	-
General Supplies	33,252	178,005	211,257	166,793	44,464
Textbooks	-	10,000	10,000	10,000	-
Other Objects	-	6,750	6,750	2,450	4,300
Total Instruction	1,105,124	501,475	1,606,599	1,366,791	239,808
Support Services:					
Salaries of Other Professional Staff	-	112,477	112,477	78,291	34,186
Personal Services - Employee Benefits	-	51,496	51,496	23,878	27,618
Purchased Educational Services	93,841	180,927	274,768	211,388	63,380
Other Purchased Services (400-500 Series)	-	13,679	13,679	5,521	8,158
Supplies and Materials	-	292,783	292,783	5,797	286,986
Scholarships Awarded	-	7,056	7,056	7,056	-
Student Activities	-	269,501	269,501	269,501	-
Other Objects	-	8,000	8,000	2,175	5,825
Total Support Services	93,841	935,919	1,029,760	603,607	426,153
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	-	4,578	4,578	4,578	-
Total Facilities Acquisition & Construction Services	-	4,578	4,578	4,578	-
Total Expenditures	1,198,965	1,441,972	2,640,937	1,974,976	665,961
Total Outflows	1,198,965	1,441,972	2,640,937	1,974,976	665,961
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ (289,548)	\$ (289,548)	\$ (12,991)	\$ (276,557)
Fund Balance, July 1 (As Restated)	269,982	-	269,982	269,982	-
Fund Balance, June 30	\$ 269,982	\$ (289,548)	\$ (19,566)	\$ 256,991	\$ (276,557)

RECAPITULATION OF FUND BALANCE

Restricted:	
Scholarships	\$ 30,099
Student Activities	226,892
Total Fund Balance	\$ 256,991

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**WALL TOWNSHIP BOARD OF EDUCATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 87,708,441	\$ 1,961,985
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(27,191)
<p>The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).</p>		
Current Year	(414,149)	-
Prior Year	406,695	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 87,700,987	\$ 1,934,794
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 84,163,187	\$ 1,974,976
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(27,191)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 84,163,187	\$ 1,947,785

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.1199820398%	0.1185054547%	0.1193099000%	0.1231854896%	0.1262608098%	0.1178796684%	0.1181117181%	0.1121304449%
School District's proportionate share of the net pension liability	\$ 19,565,933.00	\$ 21,352,885.00	\$ 23,491,524.00	\$ 28,675,613.00	\$ 37,394,830.00	\$ 26,461,623.00	\$ 22,114,767.00	\$ 21,430,356.00
School District's covered payroll	\$ 8,621,065.00	\$ 8,153,611.00	\$ 8,226,051.00	\$ 8,549,704.00	\$ 8,383,906.00	\$ 8,019,520.00	\$ 8,070,828.00	\$ -
School District's proportionate share of the net pension liability as a percentage of its covered payroll	226.95%	261.88%	285.57%	335.40%	446.03%	329.97%	274.01%	#DIV/0!
Plan fiduciary net position as a percentage of the total pension liability	56.27%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 1,312,543.00	\$ 1,152,709.00	\$ 1,186,748.00	\$ 1,141,182.00	\$ 1,121,683.00	\$ 1,013,449.00	\$ 973,741.00	\$ 844,880.00
Contributions in relation to the contractually required contribution	1,312,543.00	(1,152,709.00)	(1,186,748.00)	(1,141,182.00)	(1,121,683.00)	(1,013,449.00)	(973,741.00)	(844,880.00)
Contribution deficiency (excess)	<u>\$ 2,625,086</u>	<u>\$ -</u>						
School District's covered payroll	\$ -	\$ 8,621,065.00	\$ 8,153,611.00	\$ 8,226,051.00	\$ 8,549,704.00	\$ 8,383,906.00	\$ 8,019,520.00	\$ 8,070,828.00
Contributions as a percentage of covered payroll	#DIV/0!	13.37%	14.55%	13.87%	13.12%	12.09%	12.14%	10.47%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$ 189,793,410.00	\$ 174,625,526.00	\$ 185,600,663.00	\$ 199,684,015.00	\$ 222,510,730.00	\$ 177,241,722.00	\$ 141,063,164.00	\$ 137,997,158.00
	\$ 189,793,410.00	\$ 174,625,526.00	\$ 185,600,663.00	\$ 199,684,015.00	\$ 222,510,730.00	\$ 177,241,722.00	\$ 141,063,164.00	\$ 137,997,158.00
School District's covered payroll	\$ -	\$ 29,014,898.00	\$ 30,807,887.00	\$ 29,422,617.00	\$ 29,685,953.00	\$ 29,563,236.00	\$ 28,637,933.00	\$ 27,789,670.00
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT
BENEFITS (GASB 75)**

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**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS***

	2021	2020	2019	2018
District's Total OPEB Liability				
Service Cost	\$ 5,808,886	\$ 5,796,526	\$ 6,532,628	\$ 7,828,298
Interest Cost	4,852,170	5,980,651	6,394,505	5,525,917
Difference between Expected & Actual Differences	38,678,008	(25,832,267)	(15,023,438)	-
Changes of Assumptions	40,291,968	2,007,946	(17,296,901)	(22,989,673)
Contributions: Member	116,393	122,543	139,298	168,117
Gross Benefit Payments	(3,840,076)	(4,133,979)	(4,030,438)	(4,565,617)
Net Change in District's Total OPEB Liability	85,907,349	(16,058,580)	(23,284,346)	(14,032,958)
District's Total OPEB Liability (Beginning)	134,670,363	150,728,943	174,013,289	188,046,247
District's Total OPEB Liability (Ending)	<u>\$ 220,577,712</u>	<u>\$ 134,670,363</u>	<u>\$ 150,728,943</u>	<u>\$ 174,013,289</u>
District's Covered Employee Payroll	\$ 41,575,735	\$ 37,168,509	\$ 38,961,498	\$ 37,648,668
District's Net OPEB Liability as a Percentage of Payroll	531%	362%	387%	462%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Title I	Title IIA	Title III	Title III - Immigrant	Title IV
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	303,600	22,833	34,564	1,654	11,966
Total Revenues	\$ 303,600	\$ 22,833	\$ 34,564	\$ 1,654	\$ 11,966
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 173,117	\$ -	\$ 10,672	\$ -	\$ -
Purchased Professional - Educational Services	-	-	14,246	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
General Supplies	52,938	-	-	-	6,341
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	226,055	-	24,918	-	6,341
Support Services:					
Salaries of Other Professional Staff	59,563	6,432	-	1,536	-
Personal Services - Employee Benefits	16,545	401	816	118	-
Purchased Educational Services	-	16,000	4,470	-	5,625
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	1,437	-	4,360	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Support Services	77,545	22,833	9,646	1,654	5,625
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	\$ 303,600	\$ 22,833	\$ 34,564	\$ 1,654	\$ 11,966
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (As Restated)	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	I.D.E.A. - Basic	I.D.E.A. - Preschool	Coronavirus Relief Fund	Elementary and Secondary School Relief	Digital Divide
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Federal Sources	906,221	42,824	131,872	117,166	44,100
Total Revenues	\$ 906,221	\$ 42,824	\$ 131,872	\$ 117,166	\$ 44,100
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ 131,872	\$ 67,641	\$ -
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	790,000	-	-	-	-
General Supplies	3,600	5,022	-	32,767	44,100
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	793,600	5,022	131,872	100,408	44,100
Support Services:					
Salaries of Other Professional Staff	-	-	-	10,760	-
Personal Services - Employee Benefits	-	-	-	5,998	-
Purchased Educational Services	104,925	37,802	-	-	-
Other Purchased Services (400-500 Series)	5,521	-	-	-	-
Supplies and Materials	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-
Student Activities	-	-	-	-	-
Other Objects	2,175	-	-	-	-
Total Support Services	112,621	37,802	-	16,758	-
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	\$ 906,221	\$ 42,824	\$ 131,872	\$ 117,166	\$ 44,100
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1 (As Restated)	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Non Public Textbook	Non Public Security	Local Grants	Student Activities	Scholarship
Revenues:					
Local Sources	\$ -	\$ -	\$ 20,613	\$ 262,276	\$ 1,290
State Sources	4,032	11,544	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	\$ 4,032	\$ 11,544	\$ 20,613	\$ 262,276	\$ 1,290
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
General Supplies	4,032	11,544	3,585	-	-
Textbooks	-	-	10,000	-	-
Other Objects	-	-	2,450	-	-
Total Instruction	4,032	11,544	16,035	-	-
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Scholarships Awarded	-	-	-	-	7,056
Student Activities	-	-	-	269,501	-
Other Objects	-	-	-	-	-
Total Support Services	-	-	-	269,501	7,056
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	-	-	4,578	-	-
Total Facilities Acquisition & Construction Services	-	-	4,578	-	-
Total Expenditures	\$ 4,032	\$ 11,544	\$ 20,613	\$ 269,501	\$ 7,056
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	(7,225)	(5,766)
Fund Balance, July 1 (As Restated)	-	-	-	234,117	35,865
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 226,892	\$ 30,099

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

	Non Public Digital Divide	Non Public Ch. 192 Auxiliary	Non Public Ch. 193 Handicapped	Non Public Nursing	Totals
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	284,179
State Sources	-	3,484	32,733	6,349	58,142
Federal Sources	2,864	-	-	-	1,619,664
Total Revenues	\$ 2,864	\$ 3,484	\$ 32,733	\$ 6,349	\$ 1,961,985
Expenditures:					
Instruction:					
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	383,302
Purchased Professional - Educational Services	-	-	-	-	14,246.00
Other Purchased Services (400-500 Series)	-	-	-	-	790,000.00
General Supplies	2,864	-	-	-	166,793
Textbooks	-	-	-	-	10,000
Other Objects	-	-	-	-	2,450
Total Instruction	2,864	-	-	-	1,366,791
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	78,291
Personal Services - Employee Benefits	-	-	-	-	23,878
Purchased Educational Services	-	3,484	32,733	6,349	211,388
Other Purchased Services (400-500 Series)	-	-	-	-	5,521
Supplies and Materials	-	-	-	-	5,797
Scholarships Awarded	-	-	-	-	7,056
Student Activities	-	-	-	-	269,501
Other Objects	-	-	-	-	2,175
Total Support Services	-	3,484	32,733	6,349	603,607
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	-	-	-	-	4,578
Total Facilities Acquisition & Construction Services	-	-	-	-	4,578
Total Expenditures	\$ 2,864	\$ 3,484	\$ 32,733	\$ 6,349	\$ 1,974,976
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-	(12,991)
Fund Balance, July 1 (As Restated)	-	-	-	-	269,982
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 256,991

F. Capital Projects Fund

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**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021**

<u>Year</u>	<u>Project Title / Issue</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
2014	HVAC -West Belmar	\$ 154,803	\$ 141,606	\$ 13,197	\$ -
2014	Emergency Generators-Variou Schools	424,297	386,150	38,147	-
2014	Front Entrance Modifications-Variou Schools	422,506	400,335	22,171	-
2015	Security Upgrades-Cariou Schools	638,792	631,276	7,516	-
2015	Roof Replacement-Variou Schools	639,682	498,206	141,476	-
2016	Phone System- Variou Schools	458,300	449,134	9,166	-
2016	Public Address Systems - Variou Schools	1,933,000	1,894,341	38,659	-
	Total	\$ 4,671,380	\$ 4,401,048	\$ 270,332	\$ -

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

Expenditures and Other Financing Uses:	
Transfer of Project Balances to Capital Reserve	\$ <u>270,332</u>
Total Expenditures and Other Financing Uses	<u>270,332</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(270,332)</u>
Fund Balance, July 1	<u>270,332</u>
Fund Balance, June 30	<u><u>\$ -</u></u>

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
HVAC-WEST BELMAR
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 68,039	\$ -	\$ 68,039	\$ 68,039
Local Sources - Transfer from Capital Outlay	86,764	-	86,764	86,764
Total Revenues and Other Financing Sources	154,803	-	154,803	154,803
Expenditures and Other Financing Uses:				
Construction Services	141,606	-	141,606	141,606
Transfer of Project Balance to Capital Reserve	-	13,197	13,197	13,197
Total Expenditures and Other Financing Uses	141,606	13,197	154,803	154,803
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 13,197	\$ (13,197)	\$ -	\$ -

Additional Project Information:

Project Number	5420-080-14-1006-G04
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 234,000
Additional Authorized Cost	79,197
Revised Authorized Cost	154,803
Percentage Increase over Original Authorized Cost	-66.16%
Percentage Completion	100.00%
Revised Target Completion Date	2014/15

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
EMERGENCY GENERATORS
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 179,105	\$ -	\$ 179,105	\$ 179,105
Local Sources - Transfer from Capital Outlay	245,192	-	245,192	245,192
Total Revenues and Other Financing Sources	424,297	-	424,297	424,297
Expenditures and Other Financing Uses:				
Construction Services	386,150	-	386,150	386,150
Transfer of Project Balance to Capital Reserve	-	38,147	38,147	38,147
Total Expenditures and Other Financing Uses	386,150	38,147	424,297	424,297
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 38,147	\$ (38,147)	\$ -	\$ -

Additional Project Information:

Project Number	Original Authorized Cost	Revised Authorized Cost
Primary School	5420-078-14-1004-G04 \$ 204,880	\$ 69,929
Allenwood Elementary School	5420-078-14-1001-G04 204,800	87,813
Central Elementary School	5420-078-14-1002-G04 204,800	91,813
Old Mill Elementary School	5420-078-14-1003-G04 204,800	72,929
West Belmar Elementary School	5420-078-14-1005-G04 204,800	101,813
	\$ 1,024,080	\$ 424,297
Grant Date	1/6/2013	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Original Authorized Cost	\$ 1,024,000	
Additional Authorized Cost	599,703	
Revised Authorized Cost	424,297	
Percentage Increase over Original Authorized Cost	-41.44%	
Percentage Completion	100.00%	
Revised Target Completion Date	2014/15	

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
FRONT DOOR MODIFICATION
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 161,672	\$ -	\$ 161,672	\$ 161,672
Local Sources - Transfer from Capital Outlay	260,834	-	260,834	260,834
Total Revenues and Other Financing Sources	422,506	-	422,506	422,506
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Service	42,835	-	42,835	42,835
Construction Services	357,500	-	357,500	357,500
Transfer of Project Balance to Capital Reserve	-	22,171	22,171	22,171
Total Expenditures and Other Financing Uses	400,335	22,171	422,506	422,506
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 22,171	\$ (22,171)	\$ -	\$ -

Additional Project Information:

Project Number	Original Authorized Cost	Revised Authorized Cost
Wall Intermediate School	\$ 94,000	\$ 77,135
West Belmar Elementary School	37,500	36,559
Old Mill Elementary School	75,000	65,246
Central Elementary School	75,000	64,011
Allenwood Elementary School	103,750	92,725
Primary School	15,000	14,462
Wall Township High School	75,000	72,368
	\$ 475,250	\$ 422,506
Grant Date	7/10/2014	
Bond Authorization Date	N/A	
Bonds Authorized	N/A	
Original Authorized Cost	\$ 475,250	
Additional Authorized Cost	52,744	
Revised Authorized Cost	422,506	
Percentage Increase over Original Authorized Cost	-88.90%	
Percentage Completion	100.00%	
Revised Target Completion Date	2014/15	

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
SECURITY UPGRADES
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 252,392	\$ -	\$ 252,392	\$ 252,392
Local Sources - Transfer from Capital Outlay	386,400	-	386,400	386,400
Total Revenues and Other Financing Sources	638,792	-	638,792	638,792
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Service	50,667	-	50,667	50,667
Construction Services	580,609	-	580,609	580,609
Transfer of Project Balance to Capital Reserve	-	7,516	7,516	7,516
Total Expenditures and Other Financing Uses	631,276	7,516	638,792	638,792
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 7,516	\$ (7,516)	\$ -	\$ -

Additional Project Information:

Project Number	Authorized Cost
Wall Intermediate School	\$ 125,479
West Belmar Elementary School	86,170
Old Mill Elementary School	70,048
Central Elementary School	87,083
Allenwood Elementary School	77,308
Primary School	32,704
Wall Township High School	160,000
	\$ 638,792
Grant Date	1/16/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 644,000
Additional Authorized Cost	5,208
Revised Authorized Cost	638,792
Percentage Increase over Original Authorized Cost	-99.19%
Percentage Completion	100.00%
Revised Target Completion Date	2014/15

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
ROOF REPLACEMENTS
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 199,282	\$ -	\$ 199,282	\$ 199,282
Local Sources - Transfer from Capital Outlay	440,400	-	440,400	440,400
Total Revenues and Other Financing Sources	639,682	-	639,682	639,682
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Service	57,126	-	57,126	57,126
Construction Services	441,080	-	441,080	441,080
Transfer of Project Balance to Capital Reserve	-	141,476	141,476	141,476
Total Expenditures and Other Financing Uses	498,206	141,476	639,682	639,682
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 141,476	\$ (141,476)	\$ -	\$ -

Additional Project Information:

Project Number	Authorized Cost
West Belmar Elementary School	\$ 66,110
Central Elementary School	316,317
Allenwood Elementary School	70,621
Primary School	186,634
	\$ 639,682
Grant Date	1/16/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 734,000
Additional Authorized Cost	94,318
Revised Authorized Cost	639,682
Percentage Increase over Original Authorized Cost	-87.15%
Percentage Completion	100.00%
Revised Target Completion Date	2014/15

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
PHONE SYSTEM
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 183,320	\$ -	\$ 183,320	\$ 183,320
Local Sources - Transfer from Capital Outlay	274,980	-	274,980	274,980
Total Revenues and Other Financing Sources	458,300	-	458,300	458,300
Expenditures and Other Financing Uses:				
Construction Services	449,134	-	449,134	449,134
Transfer of Project Balance to Capital Reserve	-	9,166	9,166	9,166
Total Expenditures and Other Financing Uses	449,134	9,166	458,300	458,300
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 9,166	\$ (9,166)	\$ -	\$ -

Additional Project Information:

Project Number	Authorized Cost
Wall Intermediate School	\$ 110,000
West Belmar Elementary School	35,000
Old Mill Elementary School	49,500
Central Elementary School	49,000
Allenwood Elementary School	44,000
Primary School	6,300
Wall Township High School	164,500
	\$ 458,300
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 458,300
Additional Authorized Cost	-
Revised Authorized Cost	458,300
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	2016/2017
Revised Target Completion Date	2019/2020

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
PUBLIC ADDRESS SYSTEM
YEAR ENDED JUNE 30, 2021**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State - Regular Operating District Grants	\$ 773,200	\$ -	\$ 773,200	\$ 773,200
Local Sources - Transfer from Capital Outlay	1,159,800	-	1,159,800	1,159,800
Total Revenues and Other Financing Sources	1,933,000	-	1,933,000	1,933,000
Expenditures and Other Financing Uses:				
Construction Services	1,894,341	-	1,894,341	1,894,341
Cancellation of Unspent SDA Project Balance	-	19,130	19,130	19,130
Transfer of Project Balance to Capital Reserve	-	19,529	19,529	19,529
Total Expenditures and Other Financing Uses	1,894,341	38,659	1,933,000	1,933,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 38,659	\$ (38,659)	\$ -	\$ -

Additional Project Information:

Project Number	Authorized Cost
Wall Intermediate School	\$ 473,000
West Belmar Elementary School	150,000
Old Mill Elementary School	210,000
Central Elementary School	210,000
Allenwood Elementary School	188,000
Wall Township High School	702,000
	<u>\$ 1,933,000</u>
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 1,933,000
Additional Authorized Cost	-
Revised Authorized Cost	1,933,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	2016/2017
Revised Target Completion Date	2019/2020

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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**WALL TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2020	RETIRED	BALANCE JUNE 30, 2021
			DATE	AMOUNT				
Pension Refunding Bonds	7/3/2012	\$ 3,790,000	7/15/2021	\$ 85,000	4.202%	\$ 1,120,000	\$ 430,000	\$ 690,000
			7/15/2022	90,000	4.202%			
			7/15/2023	95,000	4.202%			
			7/15/2024	100,000	4.202%			
			7/15/2025	105,000	4.202%			
			7/15/2026	105,000	4.202%			
			7/15/2027	110,000	4.202%			
School Refunding Bonds	4/22/2015	17,515,000	7/15/2021	2,350,000	5.000%	9,360,000	2,230,000	7,130,000
			7/15/2022	2,370,000	5.000%			
			7/15/2023	2,410,000	5.000%			
Total						\$ 10,480,000	\$ 2,660,000	\$ 7,820,000

**WALL TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2021**

PURPOSE	AMOUNT OF LEASE	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2020	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2021
2017 School Buses (4)	300,000	2.150%	\$ 121,700	\$ 60,202	\$ 61,498
2019 School Buses (5)	405,000	2.980%	244,428	79,096	165,332
2020 School Buses (7)	530,000	2.466%	421,011	101,438	319,573
		Total	<u>\$ 787,139</u>	<u>\$ 240,736</u>	<u>\$ 546,403</u>

**WALL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	June 30, 2021				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,355,338	\$ -	\$ 2,355,338	\$ 2,355,338	\$ -
State Sources:					
Debt Service Aid Type II	754,939	-	754,939	754,939	-
Total Revenues	3,110,277	-	3,110,277	3,110,277	-
Expenditures:					
Regular Debt Service:					
Interest	450,278	-	450,278	450,278	-
Redemption of Principal	2,660,000	-	2,660,000	2,660,000	-
Total Regular Debt Service	3,110,278	-	3,110,278	3,110,278	-
Total Expenditures	3,110,278	-	3,110,278	3,110,278	-
Excess/(Deficiency) of Revenues Over/(Under)					
Expenditures	(1)	-	(1)	(1)	-
Fund Balance, July 1,	1	-	1	1	-
Fund Balance, June 30,	\$ -	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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**WALL TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 29,941,361	\$ 27,294,108	\$ 23,668,548	\$ 22,614,140	\$ 20,341,432	\$ 17,202,958	\$ 16,176,888	\$ 13,242,009	\$ 12,332,608	\$ 10,479,420
Restricted	8,988,536	7,339,725	7,007,106	7,879,125	6,045,607	5,712,617	4,409,297	4,312,842	4,452,232	3,543,636
Unrestricted (Deficit)	(21,444,981)	(24,734,199)	(26,374,370)	(28,363,547)	(28,205,105)	(25,626,679)	(24,643,354)	(23,633,552)	(2,778,148)	(3,817,074)
Total Governmental Activities Net Position	\$ 17,484,916	\$ 9,899,634	\$ 4,301,284	\$ 2,129,718	\$ (1,818,066)	\$ (2,711,104)	\$ (4,057,169)	\$ (6,078,701)	\$ 14,006,692	\$ 10,205,982
Business-Type Activities:										
Net Investment in Capital Assets	\$ 51,888	\$ 66,949.00	\$ 82,010.00	\$ 94,376.00	\$ 109,259.00	\$ 96,696.00	\$ 110,091.00	\$ 124,473.00	\$ 136,138.00	\$ 144,719.00
Unrestricted (Deficit)	200,656	71,283	275,281	210,122	181,057	96,832	22,394	28,543	74,313	190,941
Total Business-Type Activities Net Position	\$ 252,544	\$ 138,232	\$ 357,291	\$ 304,498	\$ 290,316	\$ 193,528	\$ 132,485	\$ 153,016	\$ 210,451	\$ 335,660
District-Wide:										
Net Investment in Capital Assets	\$ 29,993,249	\$ 27,361,057	\$ 23,750,558	\$ 22,708,516	\$ 20,450,691	\$ 17,299,654	\$ 16,286,979	\$ 13,366,482	\$ 12,468,746	\$ 10,624,139
Restricted	8,988,536	7,339,725	7,007,106	7,879,125	6,045,607	5,712,617	4,409,297	4,312,842	4,452,232	3,543,636
Unrestricted (Deficit)	(21,244,325)	(24,662,916)	(26,099,089)	(28,153,425)	(28,024,048)	(25,529,847)	(24,620,960)	(23,605,009)	(2,703,835)	(3,626,133)
Total District Net Position	\$ 17,737,460	\$ 10,037,866	\$ 4,658,575	\$ 2,434,216	\$ (1,527,750)	\$ (2,517,576)	\$ (3,924,684)	\$ (5,925,685)	\$ 14,217,143	\$ 10,541,642

Source: CAFR Schedule A-1

*For the year ended June 30, 2021 net position was reclassified due to GASB 84.

**WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 40,948,829	\$ 36,131,686	\$ 36,508,007	\$ 39,377,966	\$ 37,630,745	\$ 33,698,651	\$ 31,427,530	\$ 26,886,838	\$ 26,404,404	\$ 23,679,968
Special Education	19,057,565	17,029,615	16,858,330	18,001,939	17,072,291	15,035,647	13,806,763	11,694,226	11,222,939	10,601,160
Vocational - Tuition	950,667	805,995	620,206	631,973	593,542	590,722	600,106	654,740	647,315	527,268
Other Instruction	1,956,606	1,741,541	1,777,481	1,804,832	1,651,386	1,609,390	1,393,728	1,141,619	1,196,910	941,861
School Sponsored Activities and Athletics	1,651,602	1,515,024	2,024,421	2,157,394	2,036,227	1,788,657	1,601,878	1,279,499	1,300,140	1,203,233
Support Services:										
Student & Instruction Related Services	10,471,758	9,639,655	11,362,762	11,454,012	11,073,493	9,982,279	9,205,306	8,809,469	8,303,915	7,976,619
General Administration	1,324,784	1,157,589	2,986,703	2,367,353	2,374,618	2,199,742	2,368,038	2,045,764	2,326,711	2,407,858
School Administration	4,322,841	4,002,342	4,775,129	5,383,818	5,172,594	4,729,551	4,530,340	3,913,365	3,725,116	3,911,563
Plant Operations & Maintenance	1,049,595	7,921,174	8,635,521	8,213,055	8,476,832	7,452,065	7,079,295	7,207,497	6,380,777	6,812,914
Student Transportation	1,055,400	5,681,202	5,819,040	5,869,426	5,644,337	5,036,208	4,904,733	4,999,220	5,074,791	4,357,476
Business/Central and Other Support Services	9,138,571	1,794,254	1,858,143	1,857,613	1,428,365	1,582,559	1,642,036	1,620,047	1,485,789	2,068,366
Charter Schools	5,012,307	-	-	-	-	-	-	-	-	35,105
Interest and Charges on Long-Term Debt	204,409	303,090	364,205	418,974	413,056	866,935	913,993	1,075,778	1,188,740	1,390,293
Total Governmental Activities										
Expenses	97,144,935	87,723,167	93,589,948	97,538,355	93,567,486	84,572,406	79,473,746	71,328,062	69,257,547	65,913,684
Business-Type Activities:										
Food Service	1,132,465	1,350,848	1,494,552	1,507,486	1,489,665	1,484,453	1,469,775	1,483,915	1,554,034	1,643,042
Before and After School Programs	288,259	440,693	473,708	416,661	383,074	303,791	14,002	8,636	3,525	4,923
Total Business-Type Activities										
Expense	1,420,724	1,791,541	1,968,260	1,924,147	1,872,739	1,788,244	1,483,777	1,492,551	1,557,559	1,647,965
Total District Expenses	\$ 98,565,659	\$ 89,514,708	\$ 95,558,208	\$ 99,462,502	\$ 95,440,225	\$ 86,360,650	\$ 80,957,523	\$ 72,820,613	\$ 70,815,106	\$ 67,561,649
Program Revenues:										
Charges for Services:										
Instruction (Tuition)	\$ 927,171	\$ 1,135,336	\$ 879,340	\$ 620,035	\$ 594,055	\$ 411,075	\$ 411,303	\$ 348,355	\$ 247,878	\$ 113,705
Pupil Transportation	500	350	4,419	-	-	-	-	-	-	-
Rentals	20,800	33,560	120,333	109,346	111,727	44,570	25,552	20,300	16,005	12,153
Operating Grants & Contributions	26,958,831	17,534,226	26,352,905	32,776,510	27,095,553	21,150,066	17,563,405	10,619,298	11,336,418	10,183,257
Capital Grants & Contributions	-	-	54,872	138,688	817,496	35,109	766,032	-	-	618,546
Total Governmental Activities										
Program Revenues	27,907,302	18,703,472	27,411,869	33,644,579	28,558,831	21,640,820	18,766,292	10,987,953	11,600,301	10,927,661
Business-Type Activities:										
Charges for Services:										
Food Service	38,001	845,023	1,268,380	1,226,757	1,258,939	1,243,504	1,213,004	1,176,974	1,193,478	1,286,694
Before and After School Programs	238,971	354,511	457,439	448,023	404,372	334,296	19,080	15,100	4,475	10,775
Chromebooks	531	28,830	-	-	-	-	-	-	-	-
Operating Grants & Contributions	1,207,553	288,796	295,234	263,549	282,717	271,487	231,162	243,042	234,397	228,166
Total Business Type Activities										
Program Revenues	1,485,056	1,517,160	2,021,053	1,938,329	1,946,028	1,849,287	1,463,246	1,435,116	1,432,350	1,525,635
Total District Program Revenues	\$ 29,392,358	\$ 20,220,632	\$ 29,432,922	\$ 35,582,908	\$ 30,504,859	\$ 23,490,107	\$ 20,229,538	\$ 12,423,069	\$ 13,032,651	\$ 12,453,296
Net (Expense)/Revenue:										
Governmental Activities	\$ (69,237,633)	\$ (69,019,695)	\$ (66,178,079)	\$ (63,893,776)	\$ (65,008,655)	\$ (62,931,586)	\$ (60,707,454)	\$ (60,340,109)	\$ (57,657,246)	\$ (54,986,023)
Business-Type Activities	64,332	(274,381)	52,793	14,182	73,289	61,043	(20,531)	(57,435)	(125,209)	(122,330)
Total District-Wide Net Expense	\$ (69,173,301)	\$ (69,294,076)	\$ (66,125,286)	\$ (63,879,594)	\$ (64,935,366)	\$ (62,870,543)	\$ (60,727,985)	\$ (60,397,544)	\$ (57,782,455)	\$ (55,108,353)

**WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 67,782,856	\$ 65,973,388	\$ 65,330,579	\$ 64,053,498	\$ 62,797,547	\$ 60,945,106	\$ 59,750,104	\$ 58,578,533	\$ 58,296,691	\$ 57,154,069
Taxes Levied for Debt Service	2,355,338	2,340,889	2,330,571	2,324,431	2,319,371	2,471,421	2,406,906	2,450,941	2,476,947	2,465,751
State/Federal Aid Sources	5,985,810	5,972,460	449,440	461,720	460,086	497,916	496,096	491,611	475,930	457,961
Investment Earnings	117,492	95,963	88,398	41,107	7,995	-	-	-	845	461
Miscellaneous Income	31,786	235,345	150,657	960,804	265,021	363,208	75,880	163,987	207,543	230,558
Total Governmental Activities	76,273,282	74,618,045	68,349,645	67,841,560	65,850,020	64,277,651	62,728,986	61,685,072	61,457,956	60,308,800
Business-Type Activities:										
Investment Earnings	890	322	-	-	-	-	-	-	-	33
Board Contributions	49,090	-	-	-	-	-	-	-	-	-
Miscellaneous	-	55,000	-	-	-	-	-	-	-	-
Total Business-Type Activities	49,980	55,322	-	33						
Total District-Wide	\$ 76,323,262	\$ 74,673,367	\$ 68,349,645	\$ 67,841,560	\$ 65,850,020	\$ 64,277,651	\$ 62,728,986	\$ 61,685,072	\$ 61,457,956	\$ 60,308,833
Change in Net Position:										
Governmental Activities	\$ 7,035,649	\$ 5,598,350	\$ 2,171,566	\$ 3,947,784	\$ 841,365	\$ 1,346,065	\$ 2,021,532	\$ 1,344,963	\$ 3,800,710	\$ 5,322,777
Business-Type Activities	114,312	(219,059)	52,793	14,182	73,289	61,043	(20,531)	(57,435)	(125,209)	(122,297)
Total District	\$ 7,149,961	\$ 5,379,291	\$ 2,224,359	\$ 3,961,966	\$ 914,654	\$ 1,407,108	\$ 2,001,001	\$ 1,287,528	\$ 3,675,501	\$ 5,200,480

Source: CAFR Schedule A-2

**WALL TOWNSHIP BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012*
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,903
Restricted	8,731,545	7,088,522	8,034,903	8,377,795	5,688,945	4,349,605	4,777,176	5,581,124	6,277,447	3,743,636
Committed	-	-	1,679,277	412,131	554,785	473,561	-	-	-	-
Assigned	3,943,874	3,161,694	810,283	465,916	113,521	250,573	380,336	481,259	420,888	1,735,441
Unassigned	2,918,140	1,323,780	600,499	854,228	851,602	838,479	756,726	777,632	639,060	742,020
Total General Fund	\$ 15,593,559	\$ 11,573,996	\$ 11,124,962	\$ 10,110,070	\$ 7,208,853	\$ 5,912,218	\$ 5,914,238	\$ 6,840,015	\$ 7,337,395	\$ 6,291,000
All Other Governmental Funds:										
Restricted	\$ 256,991	\$ 251,203	\$ 251,203	\$ 196,330	\$ 388,575	\$ 1,618,425	\$ 230,621	\$ 614,029	\$ 57,096	
Assigned	-	-	-	-	-	-	-	-	-	
Total All Other Governmental Funds	\$ 256,991	\$ 251,203	\$ 251,203	\$ 196,330	\$ 388,575	\$ 1,618,425	\$ 230,621	\$ 614,029	\$ 57,096	

Source: CAFR Schedule B-1

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amount to comply with Statement No. 54 is not required.

For the financial year ended June 30, 2021, fund balance was reclassified due to GASB 84.

**WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax Levy	\$ 70,138,194	\$ 68,314,277	\$ 67,661,150	\$ 66,377,929	\$ 65,116,918	\$ 63,416,527	\$ 62,157,010	\$ 61,029,474	\$ 60,773,638	\$ 59,619,820
Tuition Charges	927,171	1,135,336	879,340	620,035	534,055	411,075	411,303	348,355	247,878	113,705
Interest Earnings	117,492	95,963	88,398	41,107	7,995	-	-	-	845	461
Transportation	500	350	4,419	-	-	-	-	-	-	-
Rental Fees	20,800	33,560	120,333	109,346	111,727	44,570	25,552	20,300	16,005	12,153
Miscellaneous	365,055	249,510	192,912	992,999	275,944	386,498	95,127	164,451	236,497	236,891
State Sources	19,536,778	17,104,359	15,807,660	14,474,825	13,704,580	11,781,724	11,437,055	9,658,196	10,547,280	9,387,851
Federal Sources	1,640,068	1,602,578	1,369,401	1,335,270	1,270,302	1,320,511	1,294,798	1,452,249	1,236,114	1,865,580
Total Revenues	92,746,058	88,535,933	86,123,613	83,951,511	81,021,521	77,360,905	75,420,845	72,673,025	73,058,257	71,236,461
Expenditures										
Instruction:										
Regular Instruction	22,553,602	21,625,099	31,437,318	29,999,268	29,244,160	28,330,042	27,611,387	26,785,953	26,636,286	24,046,276
Special Education Instruction	10,496,436	10,192,358	14,777,835	14,233,956	13,786,105	12,971,052	12,393,841	11,689,276	11,314,962	10,735,197
Vocational Education - Tuition	678,770	626,879	620,206	631,973	593,542	590,722	600,106	654,740	647,315	527,268
Other Instruction	1,077,650	1,042,326	1,518,521	1,360,592	1,266,809	1,341,752	1,215,187	1,140,986	1,209,783	958,176
School Sponsored Activities & Athletics	1,179,233	1,178,340	1,767,414	1,686,985	1,621,365	1,535,470	1,430,623	1,278,933	1,311,222	1,220,598
Support Services:										
Attendance & Social Work Services	703,405	649,565	-	-	-	-	-	-	-	-
Health Service	702,531	603,941	-	-	-	-	-	-	-	-
Student & Instruction Related Services	6,070,828	6,243,924	10,225,448	9,415,559	9,390,598	9,224,273	8,780,042	8,666,001	8,220,607	7,960,582
General Administration	945,887	900,338	1,068,454	1,074,753	1,090,756	1,010,506	1,229,571	1,041,049	1,190,212	1,396,685
School Administration	3,086,479	3,112,900	4,433,677	4,250,464	4,208,259	4,193,626	4,158,822	3,911,335	3,764,603	3,976,702
Plant Operations & Maintenance	6,696,250	6,400,031	8,158,857	7,249,392	7,634,816	7,212,942	6,985,188	7,191,146	6,408,965	6,871,107
Student Transportation	3,578,753	4,418,666	5,213,044	5,008,659	4,914,773	4,647,740	4,616,572	4,788,364	4,871,035	4,180,808
Business/Central & Other Support Services:	1,502,951	1,395,517	1,742,002	1,597,477	1,351,770	1,520,373	1,619,747	1,619,340	1,498,608	2,091,182
Unallocated Benefits	11,690,076	11,438,723	-	-	-	-	-	-	-	-
On Behalf TPAF Pension and Social Security Contributions	13,544,999	11,176,786	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	35,105
Capital Outlay	1,595,342	3,970,890	1,686,432	1,700,822	2,531,137	310,619	2,894,328	913,464	1,299,310	1,776,062
Debt Service:										
Principal	2,660,000	2,525,000	2,665,816	2,578,656	2,494,964	2,730,213	2,391,273	2,289,989	2,425,617	2,314,307
Interest & Other Charges	458,058	573,757	673,824	753,983	825,682	692,791	1,008,707	1,083,524	1,241,559	1,395,139
Bond Issue Costs	-	-	-	-	-	-	188,580	-	-	-
Payments to Escrow Agent	-	-	-	-	-	-	387,316	-	-	-
Total Expenditures	89,221,250	88,075,040	85,988,848	81,542,539	80,954,736	76,312,121	77,511,290	73,054,100	72,040,084	69,485,194
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,475,718	449,034	134,765	2,408,972	66,785	1,048,784	(2,090,445)	(381,075)	1,018,173	1,751,267
Other Financing Sources/(Uses):										
Cancellation of Payable	-	43,141	-	-	-	-	-	-	-	-
Capital Leases (Non-Budgeted)	-	-	935,000	300,000	-	337,000	205,364	440,628	-	-
Proceeds From Refunding	-	-	-	-	-	-	17,515,000	-	3,790,000	-
Payments to Escrow Agent	-	-	-	-	-	-	(19,335,000)	-	(3,704,682)	-
Original Issue Premiums	-	-	-	-	-	-	2,395,896	-	-	-
Transfers in	251,202	-	-	-	-	1,434,780	826,800	592,789	-	834,347
Transfers Out	(300,292)	(55,000)	-	-	-	(1,434,780)	(826,800)	(592,789)	-	(834,347)
Total Other Financing Sources/(Uses)	(49,090)	(11,859)	935,000	300,000	-	337,000	781,260	440,628	85,318	-
Net Change in Fund Balances	\$ 3,475,718	\$ 449,034	\$ 1,069,765	\$ 2,708,972	\$ 66,785	\$ 1,385,784	\$ (1,309,185)	\$ 59,553	\$ 1,103,491	\$ 1,751,267
Debt Service as a Percentage of Noncapital Expenditures	3.09%	2.97%	3.23%	3.30%	3.21%	3.75%	3.78%	3.29%	3.55%	3.52%

Source: CAFR Schedule B-2

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)**

<u>FISCAL YEAR ENDING JUNE 30,</u>	<u>INTEREST ON INVESTMENTS</u>	<u>REIMBURSEMENTS</u>	<u>TUITION</u>	<u>DEMAND RESPONSE</u>	<u>PRIOR YEAR PAYABLES CANCELLED</u>	<u>TRANSPORTATION</u>	<u>E-RATE</u>	<u>RENTALS</u>	<u>GRANT PROCEEDS FOR PRIOR YEAR CAPITAL PROJECTS</u>	<u>INSURANCE PROCEEDS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2021	\$ 117,492	\$ -	\$ 927,171	\$ -	\$ -	\$ 500	\$ -	\$ 20,800	\$ -	\$ -	\$ 80,876	\$ 1,146,839
2020	95,963	-	1,135,336	-	43,141	350	-	33,560	-	-	247,204	1,555,554
2019	88,398	-	879,340	21,135	11,575	4,419	-	120,333	-	-	117,947	1,243,147
2018	41,107	-	620,035	16,164	759,106	-	-	109,346	-	-	185,534	1,731,292
2017	7,995	-	534,055	23,246	74,708	-	-	111,727	114,212	-	52,855	918,798
2016	-	77,647	411,075	-	-	-	49,790	44,570	-	174,767	61,004	818,853
2015	-	-	411,303	-	-	-	-	25,552	-	-	75,880	512,735
2014	-	-	348,355	-	-	-	-	20,300	-	-	163,987	532,642
2013	845	-	247,878	-	-	-	-	16,005	153,536	-	54,007	472,271
2012	461	-	113,705	-	-	-	-	12,153	-	69,634	160,924	356,877

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**WALL TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	OFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
2012	\$ 71,263,300	2,845,399,400	\$ 32,001,000	\$ -	\$ 618,225,600	\$ 144,209,000	\$ 22,877,000	\$ 3,733,975,300	\$ 5,942,434	\$ 3,739,919,334	1.610	\$ 6,107,506,199
2013	68,210,500	2,830,109,100	30,958,400	854,600	611,628,500	141,333,200	22,142,800	3,705,237,100	5,864,768	3,711,101,868	1.641	5,684,897,675
2014	67,764,300	2,819,263,000	31,125,700	859,900	609,691,300	141,331,000	21,839,600	3,691,874,800	5,325,309	3,697,200,108	1.666	5,614,372,406
2015	65,185,400	2,817,681,600	32,138,900	806,500	607,903,100	139,006,100	24,981,100	3,687,702,700	5,150,110	3,692,852,810	1.700	5,602,708,447
2016	85,540,500	4,505,855,990	46,534,000	765,200	1,014,262,500	240,969,300	46,891,700	5,940,819,190	7,953,969	5,948,773,159	1.080	5,924,070,513
2017	86,395,800	4,498,740,990	44,629,300	764,900	1,014,418,800	240,639,200	46,891,700	5,932,480,690	8,063,235	5,940,543,925	1.107	6,128,451,633
2018	87,939,400	4,505,584,900	41,343,000	760,300	1,056,984,200	256,938,000	46,891,700	5,996,441,500	7,824,535	6,004,266,035	1.123	6,156,959,538
2019	84,756,900	4,519,487,200	39,430,000	719,600	1,059,098,600	228,680,700	46,309,200	5,978,482,200	-	5,978,482,200	1.138	6,348,046,083
2020	86,233,800	4,539,928,100	36,714,700	708,500	1,093,421,500	228,986,100	45,533,400	6,031,526,100	-	6,031,526,100	1.148	6,661,082,532
2021	77,878,000	4,558,054,400	39,002,700	679,200	1,097,421,600	240,484,600	45,533,400	6,059,053,900	-	6,059,053,900	1.168	6,726,555,593

Source: Monmouth County Board of Taxation

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

Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100

N/A At the time of CAFR Completion, this data was not yet available

**WALL TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	<u>TOTAL</u>	<u>SCHOOL DISTRICT</u>	<u>MUNICIPAL</u>	<u>COUNTY</u>	<u>OTHER</u>
2012	2.819	1.610	0.672	0.470	0.067
2013	2.793	1.641	0.691	0.411	0.050
2014	2.825	1.666	0.708	0.403	0.048
2015	0.745	1.700	0.722	0.416	0.050
2016	1.813	1.080	0.448	0.253	0.032
2017	1.847	1.107	0.453	0.254	0.033
2018	1.884	1.123	0.459	0.256	0.046
2019	1.947	1.138	0.463	0.299	0.047
2020	1.983	1.148	0.463	0.309	0.063
2021	1.942	1.168	0.470	0.254	0.050

Source: Municipal Tax Assessor

Note: : N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
- b Rates for debt service are based on each year's requirements.

**WALL TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2021	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
State St Bank C/o NJNG John Leshak	\$ 36,142,900	0.605%
Horizon Blue Cross Blue Shield	33,750,000	0.565%
Wall Herald Corp.	33,585,800	0.562%
RAR2-Wall Towne Center, LLC	33,484,400	0.560%
Androse Assoc. of Allaire, LLC	30,134,700	0.504%
Monmouth Shores Park Realty	29,213,600	0.489%
Sea Girt LP C/o Sher Partners	26,372,100	0.441%
The Atlantic Club, Inc.	22,000,000	0.368%
Tricorne Center Acquisition, LLC	20,658,100	0.346%
Monmouth Shores Park Realty II, LLC	20,410,600	0.341%
Total	\$ 285,752,200	4.780%

Taxpayer	2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
Wall Herald Corporation	\$ 37,476,100	1.004%
Mack-Cali Corp.	24,956,300	0.668%
State St Bank C/O NJNG	17,600,000	0.471%
Horizon Blue Cross Blue Shield	17,000,000	0.455%
What's Your Racquet, Inc.	15,500,000	0.415%
Levcom Wall Plaza	14,199,600	0.380%
Sea Girt Partnership/Terranomics	11,866,400	0.318%
VSNL Telecommunications	11,500,000	0.308%
Androse Associates	10,792,600	0.289%
NP Wall Towne Center	10,084,400	0.270%
Total	\$ 170,975,400	4.578%

Source: Municipal Tax Assessor

**WALL TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2012	\$ 59,619,820	\$ 59,619,820	100.00%	-
2013	60,773,638	58,909,170	96.93%	1,864,468
2014	61,029,474	61,029,474	100.00%	-
2015	62,157,010	62,157,010	100.00%	-
2016	63,416,527	63,416,527	100.00%	-
2017	65,116,918	65,116,918	100.00%	-
2018	66,377,929	66,377,929	100.00%	-
2019	67,661,150	67,661,150	100.00%	-
2020	68,314,277	68,314,277	100.00%	-
2021	70,138,194	70,138,194	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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**WALL TOWNSHIP BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES		TOTAL DISTRICT	POPULATION	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES/ LEASE PURCHASE AGREEMENTS			
2012	\$ 30,715,000	\$ 468,865	\$ 31,183,865	26,029	1,198
2013	28,825,000	33,248	28,858,248	25,992	1,110
2014	26,660,000	348,887	27,008,887	25,903	1,043
2015	22,575,000	427,978	23,002,978	25,889	889
2016	19,985,000	624,765	20,609,765	25,897	796
2017	17,740,000	374,801	18,114,801	25,818	702
2018	15,420,000	416,145	15,836,145	25,705	616
2019	13,005,000	1,100,329	14,105,329	25,705	549
2020	10,480,000	787,139	11,267,139	25,722	438
2021	7,820,000	546,403	8,366,403	26,525	315

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

**WALL TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING				NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	DEDUCTIONS				
2012	\$ 30,715,000	\$ 468,865	\$ -		\$ 30,715,000	0.54%	\$ 1,180
2013	28,825,000	33,248	-		28,825,000	0.51%	1,109
2014	26,660,000	348,887	-		26,660,000	0.48%	1,029
2015	22,575,000	427,978	-		22,575,000	0.38%	872
2016	19,985,000	624,765	-		19,985,000	0.33%	772
2017	17,740,000	374,801	-		17,740,000	0.29%	687
2018	15,420,000	416,145	-		15,420,000	0.24%	598
2019	13,005,000	1,100,329	-		13,005,000	0.20%	509
2020	10,480,000	787,139	-		11,267,139	0.17%	441
2021	7,820,000	546,403	-		8,366,403	0.12%	315

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

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

**WALL TOWNSHIP BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021**

	NET DEBT
Municipal Debt:	
Wall Township Board of Education (as of June 30, 2021)	\$ 7,820,000
Township of Wall	<u>29,811,836</u>
Subtotal, Overlapping Debt	<u>37,631,836</u>
Overlapping Debt Apportioned to the Municipality:	
Mounmouth County:	
County of Monmouth	<u>22,125,203</u>
Total Direct & Overlapping Debt	<u><u>\$ 59,757,039</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
Debt Outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Wall. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment

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

**WALL TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 195,967,337	\$ 190,325,093	\$ 244,761,800	\$ 236,601,951	\$ 229,784,067	\$ 223,373,044	\$ 223,407,044	\$ 230,438,397	\$ 241,269,347	\$ 254,181,622
Total Net Debt Applicable to Limit	8,366,403	11,267,139	13,005,000	15,420,000	17,740,000	19,985,000	19,510,000	23,230,000	25,035,000	26,760,000
Legal Debt Margin	\$ 187,600,934	\$ 159,610,093	\$ 231,756,800	\$ 221,181,951	\$ 212,044,067	\$ 203,388,044	\$ 203,897,044	\$ 207,208,397	\$ 216,234,347	\$ 227,421,622
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.27%	16.14%	5.31%	6.52%	7.72%	8.95%	8.73%	10.08%	10.38%	10.53%

Legal Debt Margin Calculation

Equalized Valuation Basis

2020	\$ 6,684,612,767
2019	6,591,490,849
2018	6,320,630,061
	<u>\$ 19,596,733,677</u>

Average Equalized Valuation of Taxable Property	<u>\$ 6,532,244,559</u>
Debt Limit (3% of Average Equalization Value)	\$ 195,967,337
Net Bonded School Debt	<u>8,366,403</u>
Legal Debt Margin	<u>\$ 187,600,934</u>

Source: Equalized valuation bases were obtained from the Monmouth County Board of Taxation

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**WALL TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2012	26,029	62,969	8.00%
2013	25,992	63,662	8.40%
2014	25,903	67,069	7.00%
2015	25,889	70,231	5.37%
2016	25,897	72,248	4.90%
2017	25,818	75,395	4.30%
2018	25,794	79,978	3.90%
2019	25,554	79,978	3.60%
2020	26,525	79,978	3.00%
2021	26,525	82,551	8.00%

Sources:

a Population information provided by the NJ Department of Labor and Workforce Development.

b Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

d Unemployment data provided by the NJ Department of Labor and Workforce Development.

WALL TOWNSHIP BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

	2021	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
	RANK	
	DATA NOT AVAILABLE	
Total	-	0.00%
Total Employment - (Estimated)	-	

	2012	
	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
	RANK	
	DATA NOT AVAILABLE	
Total	-	0.00%
Total Employment - 2012 (Estimated)	-	

Source: Township of Wall, Clerk's Office.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**WALL TOWNSHIP BOARD OF EDUCATION
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	259	259	259	268	271	274	275	260	257	258
Special Education	170	171	165	168	161	156	161	146	90	73
Other Special Instruction								-	53	52
Other Instruction	221	222	213	199	194	164	155	157	158	158
Support Services:										
Student & Instruction Related Services	113	116	119	110	122	99	105	92	90	87
General Administration	6	6	6	6	6	6	6	4	4	4
School Administrative Services	33	33	32	32	31	30	30	30	31	31
Other Administrative Services										
Central Services	7	7	7	7	7	7	7	8	8	9
Administrative Information Technology	6	6	6	6	6	6	6	5	6	5
Plant Operations & Maintenance	105	106	105	100	99	104	99	88	87	87
Pupil Transportation	58	62	60	63	64	66	68	66	67	66
Total	977	988	971	958	959	912	911	855	850	830

Source: District Personnel Records

**WALL TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEM	MIDDLE	HIGH				
2021	3,182	\$ 70,962,851	\$ 22,301	7.33%	371	1:07.5	1:08.8	1:08.9	3,147	3,007	-6.89%	95.57%
2020	3,311	68,798,610	20,779	-14.00%	417	1:08.4	1:07.8	1:07.6	3,380	3,301	0.00%	97.66%
2019	3,351	80,962,776	24,161	7.68%	417	1:08.4	1:07.8	1:07.6	3,380	3,301	-0.55%	97.66%
2018	3,410	76,509,078	22,437	3.37%	419	1:08.4	1:07.7	1:08.0	3,399	3,326	-1.61%	97.87%
2017	3,460	75,102,953	21,706	7.84%	418	1:08.7	1:08.1	1:08.0	3,454	3,436	-3.73%	99.46%
2016	3,606	72,578,498	20,127	3.95%	400	1:08.9	1:08.8	1:09.3	3,588	3,475	0.45%	96.85%
2015	3,649	70,641,086	19,362	4.61%	400	1:08.9	1:09.0	1:08.8	3,572	3,454	-1.57%	96.70%
2014	3,716	68,767,123	18,508	5.05%	402	1:08.4	1:09.3	1:09.3	3,629	3,508	-5.72%	96.67%
2013	3,821	67,310,213	17,618	3.52%	385	1:09.3	1:09.6	1:11.1	3,849	3,676	-2.23%	95.51%
2012	3,956	67,324,895	17,018	13.44%	382	1:11.2	1:12.5	1:12.6	3,937	3,767	-3.19%	95.69%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

- a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions. J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**WALL TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

<u>DISTRICT BUILDINGS</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Elementary Schools:										
Allenwood										
Square Feet	49,920	49,920	49,920	49,920	49,920	49,920	49,920	49,920	49,920	49,920
Capacity (Students)	521	521	521	521	521	521	521	521	521	521
Enrollment	375	364	406	391	380	348	348	359	387	401
Central										
Square Feet	56,110	56,110	56,110	56,110	56,110	56,110	56,110	56,110	56,110	56,110
Capacity (Students)	596	596	596	596	596	596	596	596	596	596
Enrollment (a)	476	427	538	526	522	504	507	506	495	533
Old Mill										
Square Feet	56,440	56,440	56,440	56,440	56,440	56,440	56,440	56,440	56,440	56,440
Capacity (Students)	560	560	560	560	560	560	560	560	560	560
Enrollment	347	326	380	381	404	402	420	434	434	456
West Belmar										
Square Feet	39,360	39,360	39,360	39,360	39,360	39,360	39,360	39,360	39,360	39,360
Capacity (Students)	276	276	276	276	276	276	276	276	276	276
Enrollment	167	144	173	181	186	203	199	212	221	232
Middle School:										
Intermediate										
Square Feet	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000
Capacity (Students)	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009	1,009
Enrollment	778	779	775	787	811	887	921	940	990	1,038
High School:										
Square Feet	186,340	186,340	186,340	186,340	186,340	186,340	186,340	186,340	186,340	186,340
Capacity (Students)	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394
Enrollment	985	1,051	1,021	1,094	1,100	1,190	1,184	1,197	1,220	1,224

**WALL TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

<u>DISTRICT BUILDINGS</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Primary:										
Square Feet	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970	5,970
Capacity (Students)	60	60	60	60	60	60	60	60	60	60
Enrollment	54	55	58	50	57	55	50	36	50	48
Virtual:										
Enrollment	N/A	165	N/A							
Other:										
Superintendent's Building										
Square Feet- 2,880										
Business Office										
Square Feet- 5,760										
Technology Building										
Square Feet- 1,069										
Tech. Storage Bam										
Square Feet- 1,296										
Maintenance Building										
Square Feet- 4,756										
Red Storage Bam										
Square Feet - 960										
Special Service Bldg. 1										
Square Feet- 2,000										
Special Service Bldg. 2										
Square Feet- 1,104										
District Storage Bldg.										
Square Feet- 5,000										
Garage Apt.										
Square Feet- 2,030										
18th Ave. Field										
Square feet- 1,800										
Number of Schools at June 30, 2021:										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 1										

Source: District Facilities Office, District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED**

SCHOOL FACILITIES	PROJECT # (s)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Wall High School	050	88,503.00	136,233.00	168,933.00	87,265.00	136,799.00	102,842.00	77,780.00	147,150.00	222,767.00	665,666.00
Allenwood School	060	31,437.00	31,525.00	31,409.00	39,077.00	29,623.00	35,969.00	35,542.00	60,219.00	16,597.00	42,581.00
Central Elementary	070	15,561.00	40,908.00	71,440.00	54,929.00	51,100.00	49,712.00	48,246.00	59,643.00	27,239.00	62,692.00
Wall Intermediate	075	51,354.00	25,939.00	93,853.00	196,273.00	108,071.00	45,122.00	89,364.00	82,433.00	28,520.00	114,269.00
Old Mill	077	40,964.00	29,930.00	65,456.00	38,219.00	187,116.00	39,956.00	47,601.00	54,979.00	25,210.00	39,695.00
Primary	078	18,370.00	18,345.00	25,201.00	2,166.00	6,157.00	16,272.00	28,745.00	28,113.00	1,374.00	20,040.00
West Belmar	080	43,229.00	17,445.00	56,640.00	11,395.00	31,747.00	31,551.00	31,011.00	59,345.00	20,897.00	31,764.00
Grand Total		\$ 289,418.00	\$ 300,325.00	\$ 512,932.00	\$ 429,324.00	\$ 550,613.00	\$ 321,424.00	\$ 358,289.00	\$ 491,882.00	\$ 342,604.00	\$ 976,707.00

Source: District Records

**WALL TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2021
UNAUDITED**

	COVERAGE	DEDUCTIBLE
SCHOOL PACKAGE POLICY (1):		
School Excess Liability Joint Insurance Fund		
Property Blanket Bldg. & Contents	\$ 500,000,000	\$ 5,000
Program Blanket Limit	500,000,000 *	5,000
Comprehensive General Liability	5,000,000	-
Comprehensive Crime Coverage	500,000	1,000
Money & Securities	50,000	1,000
Workers Compensation	Statutory	N/L
COMPUTERS & SCHEDULE EQUIPMENT		
School Excess Liability Joint Insurance Fund		
Data Processing Equipment	500,000,000	5,000
Valuable Papers	500,000,000	5,000
Miscellaneous Equipment	500,000,000	5,000
Business Income	100,000,000	5,000
Extra Expense	50,000,000	5,000
BOILER & MACHINERY - SCHOOL EXCESS JOINT INSURANCE FUND		
Property Damage	100,000,000	5,000
UMBRELLA EXCESS LIABILITY		
Excess Liability - Dipolma JIF	5,000,000	None
School Excess - Umbrella Policy	30,000,000	None
Liability Fund - Fireman's Fund	50,000,000	None
SCHOOL BOARD LEGAL LIABILITY - ACE USA		
Directors & Officers Policy	Included in SLPL	None
PUBLIC OFFICIAL BOND - PABLO D. CANELA		
	400,000	None
PUBLIC OFFICIAL BOND - BRIAN J. SMYTH		
	400,000	None
AUTOMOBILE & TRUCKS		
School Excess Liability Joint Insurance Fund	5,000,000	Comp./Coll. 1,000/1,000

Source: District Records

SINGLE AUDIT SECTION

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EXHIBIT K-1

**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**

Honorable President and Members
of the Board of Education
Wall Township School District
County of Monmouth
Wall, New Jersey 07719

We have audited, in accordance with the 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Wall Township School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Wall Township School District's basic financial statements, and have issued our report thereon dated February 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wall Township School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wall Township 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 a 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 Wall Township 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Matthew Holman
Certified Public Accountant
Public School Accountant, No. 20CS00260100

Lakewood, New Jersey
February 16, 2022



EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and Members
of the Board of Education
Wall Township School District
County of Monmouth
Wall, New Jersey 07719

Report on Compliance for Each Major Federal and State Program

We have audited the Wall Township School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The Wall Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Wall Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Wall Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.



Matthew Holman

Certified Public Accountant

Public School Accountant, No. 20CS00260100

Lakewood, New Jersey
February 16, 2022

WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL CIDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE FORWARDED	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PREVIOUS BALANCES	PAID THROUGH TO SUBRECIPIENTS	RESERVE FOR ENCUMBRANCES CANCELLED	UNEARNED REVENUE	BALANCE JUNE 30, 2021 ACCOMPLISH RECEIVABLE	GRANTOR
U.S. Department of Health and Human Services Passed Through New Jersey Department of Human Services Medicaid Cluster Medical Assistance Program (SEMI)	93.778	1A05N3MAP	100-034-7540-211	\$ 47,595	7/1/20-6/30/21	\$ -	\$ 47,595	\$ (47,595)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Medicaid Cluster				\$ 47,595		\$ -	\$ 47,595	\$ (47,595)	\$ -	\$ -	\$ -	\$ -	\$ -	-
U.S. Department of Health and Human Services Passed Through New Jersey Department of Education Coronavirus Relief Fund Coronavirus Relief Fund - Non-Public Digital Divide	21.019	8L70007	100-034-5120-517	131,872	7/1/20-6/30/21	-	131,872	(131,872)	-	-	-	-	-	-
	21.019	8L70007	100-034-5120-516	2,871	7/1/20-6/30/21	-	2,871	(2,864)	-	-	-	7	-	-
Total U.S. Department of Health and Human Services				\$ 134,743		\$ -	\$ 134,743	\$ (134,736)	\$ -	\$ -	\$ -	\$ 7	\$ -	-
U.S. Department of Agriculture Passed Through New Jersey Department of Agriculture Child Nutrition Cluster COVID-19 National School Breakfast Program COVID-19 National School Lunch Program	10.553	INJ06N1099	100-010-3350-028	353,862	7/1/20-6/30/21	-	319,119	(335,962)	-	-	-	-	(34,843)	-
	10.553	20INJ06N1099	100-010-3350-028	25,750	7/1/20-6/30/21	(6,072)	25,750	(25,750)	-	-	-	-	-	-
	10.553	20INJ06N1099	100-010-3350-028	19,134	7/1/19-6/30/20	(6,072)	350,941	(375,712)	-	-	-	-	(24,843)	-
National School Lunch Program COVID-19 National School Lunch Program Healthy Hunger-Free Kids Act COVID-19 National School Lunch Program (HIFKA) COVID-19 National School Lunch Program (HIFKA) Food Distribution Program (Noncash Assistance)	10.555	INJ06N1099	100-010-3350-028	669,743	7/1/20-6/30/21	-	585,793	(649,743)	-	-	-	-	(63,989)	-
	10.555	20INJ06N1099	100-010-3350-028	47,424	7/1/20-6/30/21	(11,253)	47,424	(47,424)	-	-	-	-	-	-
	10.555	20INJ06N1099	100-010-3350-028	12,552	7/1/20-6/30/21	(1,682)	11,882	(12,948)	-	-	-	-	(1,276)	-
	10.555	20INJ06N1099	100-010-3350-026	946	7/1/20-6/30/21	(231)	946	(946)	-	-	-	-	-	-
	10.555	20INJ06N1099	Unavailable	720	7/1/19-6/30/20	(231)	82,691	(82,691)	-	-	-	-	-	-
	10.555	INJ06N1099	Unavailable	82,691	7/1/19-6/30/20	(11,884)	739,920	(793,762)	-	-	-	-	(63,235)	-
Total Child Nutrition Cluster				1,990,931		\$ (17,356)	\$ 1,990,931	\$ (1,173,474)	\$ -	\$ -	\$ -	\$ -	\$ (100,999)	-
Total U.S. Department of Agriculture				\$ 1,990,931		\$ (17,356)	\$ 1,990,931	\$ (1,173,474)	\$ -	\$ -	\$ -	\$ -	\$ (100,999)	-
U.S. Department of Education Passed Through New Jersey Department of Education Title I - Part A Title I - Part A Title II - Part A, Supporting Effective Instruction Title II - Part A, Supporting Effective Instruction	84.010	S010A160030	100-034-5064-194	404,249	7/1/20-9/30/21	-	198,777	(303,600)	-	-	-	-	(104,823)	-
	84.010	S010A160030	100-034-5064-194	324,076	7/1/19-9/30/20	(108,437)	87,231	(108,437)	-	21,206	-	-	(104,823)	-
	84.367	S367A160029	100-034-5065-290	75,408	7/1/20-9/30/21	(32)	6,833	(23,833)	-	-	-	-	(16,000)	-
	84.367	S367A160029	100-034-5065-290	45,768	7/1/19-9/30/20	(32)	1,160	(23,833)	-	-	-	-	(16,000)	-
Title III - English Language Acquisition Title III - English Language Acquisition Title III - English Language Acquisition Title III - Immigrant Title III - Immigrant	84.365	S365A160030	100-034-5064-187	59,112	7/1/20-9/30/21	(7,906)	10,155	(34,564)	-	-	-	-	(24,409)	-
	84.365	S365A160030	100-034-5064-187	36,314	7/1/19-9/30/20	-	7,005	(7,005)	-	1	-	-	-	-
	84.365	S365A160030	100-034-5064-187	1,676	7/1/20-9/30/21	(827)	827	(1,654)	-	-	-	-	(1,654)	-
	84.365	S365A160030	100-034-5064-187	1,680	7/1/19-9/30/20	(7,833)	17,987	(35,218)	-	-	-	-	(26,953)	-
Title IV Title IV	84.424	S369A170031	100-034-5064-189	25,253	7/1/20-9/30/21	(927)	9,330	(11,966)	-	-	-	-	(2,616)	-
	84.424	S369A170031	100-034-5064-189	18,367	7/1/19-9/30/20	(927)	9,330	(11,966)	-	897	-	-	(2,616)	-
Special Education Cluster I.D.E.A. Part B I.D.E.A. Part B	84.027	H027A160100	100-034-5065-016	939,221	7/1/20-9/30/21	(26,196)	884,147	(906,221)	-	-	-	-	(22,074)	-
	84.027	H027A160100	100-034-5065-016	843,438	7/1/19-9/30/20	(26,196)	910,344	(906,221)	-	(1)	-	-	(22,074)	-
I.D.E.A. Preschool I.D.E.A. Preschool	84.175	H175A160114	100-034-5065-020	65,093	7/1/20-9/30/21	(13,593)	31,630	(43,824)	-	-	-	-	(11,004)	-
	84.175	H175A160114	100-034-5065-020	50,713	7/1/19-9/30/20	(32,823)	47,223	(43,824)	-	-	-	-	(11,004)	-
Total Special Education Cluster				1,439,440		\$ (41,201)	\$ 957,669	\$ (949,045)	\$ -	\$ (1)	\$ -	\$ -	\$ (33,078)	-
Elementary and Secondary School Emergency Relief Fund Digital Divide	84.425D 84.425D	S425D200027 S425D200027	100-034-5120-513 100-034-5120-516	236,452 44,341	3/13/20-9/30/22 7/16/20-10/31/20	- -	118,231 44,000	(117,166) (44,000)	- -	- -	- -	1,065 1,065	(1,065) (1,065)	- -
Total U.S. Department of Education				\$ 2,212,709		\$ (126,851)	\$ 2,212,709	\$ (2,840,733)	\$ -	\$ 22,203	\$ -	\$ 1,072	\$ (283,744)	\$ -

The accompanying Notes to Schedule Expenditures of Federal Awards and Financial Assistance are an integral part of this Schedule.

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WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS' BALANCES	ADJUSTMENT	BALANCE, JUNE 30, 2021			MEMO		
											UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
New Jersey Department of Education:																
General Fund:																
State Aid Public:																
Special Education Categorical Aid	495-034-5120-089	\$ 2,716,600	7/1/20-6/30/21	\$ -	\$ -	\$ 2,716,600	\$ (2,716,600)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,893	\$ 2,716,600
Security Aid	495-034-5120-084	341,937	7/1/20-6/30/21	-	-	341,937	(341,937)	-	-	-	-	-	-	33,216	341,937	
Total State Aid Public						3,058,537	(3,058,537)							297,109	3,058,537	
Transportation Aid	495-034-5120-014	1,204,850	7/1/20-6/30/21	-	-	1,204,850	(1,204,850)	-	-	-	-	-	-	117,040	1,204,850	
Extraordinary Aid	495-034-5120-043	837,900	7/1/20-6/30/21	-	-	-	(837,900)	-	-	-	-	-	-	-	837,900	
Extraordinary Aid	495-034-5120-043	436,188	7/1/19-6/30/20	(436,188)	-	479,879	(43,691)	-	-	-	-	-	-	-	43,691	
Additional Non-Public Transportation Aid	495-034-5120-013	41,174	7/1/20-6/30/21	-	-	-	(41,174)	-	-	-	-	-	(41,174)	-	41,174	
Additional Non-Public Transportation Aid	495-034-5120-014	25,902	7/1/19-6/30/20	(25,902)	-	25,902	-	-	-	-	-	-	-	-	-	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	2,357,653	7/1/20-6/30/21	-	-	2,241,145	(2,357,653)	-	-	-	-	-	(116,508)	-	2,357,653	
Reimbursed TPAF Social Security Contributions	495-034-5094-003	2,348,279	7/1/19-6/30/20	(116,883)	-	116,883	-	-	-	-	-	-	-	-	-	
TPAF - Post Retirement																
Medical (Noncash Assistance)	495-034-5094-001	2,668,238	7/1/19-6/30/20	-	-	2,668,238	(2,668,238)	-	-	-	-	-	-	-	2,668,238	
TPAF - Pension																
Contributions (Noncash Assistance)	495-034-5094-002	8,514,263	7/1/19-6/30/20	-	-	8,514,263	(8,514,263)	-	-	-	-	-	-	-	8,514,263	
TPAF - Long-Term Disability																
Insurance (Noncash Assistance)	495-034-5094-004	4,845	7/1/19-6/30/20	-	-	4,845	(4,845)	-	-	-	-	-	-	-	4,845	
Total General Fund				(578,973)		18,314,342	(18,731,151)						(995,582)	414,149	18,731,151	
Special Revenue Fund:																
Non-Public Aid:																
Textbooks	100-034-5120-064	4,032	7/1/20-6/30/21	-	-	4,032	(4,032)	-	-	-	-	-	-	-	4,032	
Nursing Services	100-034-5120-070	6,732	7/1/20-6/30/21	-	-	6,732	(6,349)	-	-	-	-	-	-	383	6,349	
Nursing Services	100-034-5120-070	19,691	7/1/19-6/30/20	4,524	-	-	-	-	(4,524)	-	-	-	-	-	-	
Technology Initiative	100-034-5120-373	7,308	7/1/19-6/30/20	3,782	-	-	-	-	(3,782)	-	-	-	-	-	-	
Security Aid	100-034-5120-508	11,550	7/1/19-6/30/20	-	-	11,550	(11,544)	-	-	-	-	-	-	6	11,544	
Security Aid	100-034-5120-509	30,450	7/1/19-6/30/20	263	-	-	-	-	(263)	-	-	-	-	-	-	
Auxiliary Services Aid (Chapter 192):																
Compensatory Education	100-034-5120-067	3,484	7/1/20-6/30/21	-	-	3,484	(3,484)	-	-	-	-	-	-	-	3,484	
Compensatory Education	100-034-5120-067	2,443	7/1/19-6/30/20	10	-	-	-	-	(10)	-	-	-	-	-	-	
Handicapped Services (Chapter 193):																
Examination and Classification	100-034-5120-066	11,150	7/1/20-6/30/21	-	-	11,150	(11,150)	-	-	-	-	-	-	-	11,150	
Corrective Speech	100-034-5120-066	12,032	7/1/20-6/30/21	-	-	12,032	(12,032)	-	-	-	-	-	-	-	12,032	
Supplementary Instruction	100-034-5120-066	9,551	7/1/20-6/30/21	-	-	9,551	(9,551)	-	-	-	-	-	-	-	-	
Total Special Revenue Fund				8,579		58,531	(58,142)		(8,579)					389	48,591	
Capital Projects Fund:																
New Jersey School Development Authority:																
Phone System Replacement - Various Schools	Various	183,320	7/1/15-6/30/16	(179,654)	-	179,654	-	-	-	-	-	-	-	-	-	
Public Address Systems - Various Schools	Various	602,900	7/1/15-6/30/16	(757,735)	-	757,735	-	-	-	-	-	-	-	-	-	
Total Capital Projects Fund				(937,389)		937,389										
Debt Service Fund:																
Debt Service Aid																
Debt Service Aid	495-034-5120-075	754,939	7/1/20-6/30/21	-	-	754,939	(754,939)	-	-	-	-	-	-	-	754,939	
Total Debt Service Fund						754,939	(754,939)								754,939	
New Jersey Department of Agriculture:																
Enterprise Fund:																
National School Lunch Program	100-010-3350-023	34,079	7/1/20-6/30/21	-	-	25,805	(34,079)	-	-	-	-	-	(8,274)	-	34,079	
National School Lunch Program	100-010-3350-023	8,799	7/1/19-6/30/20	(2,356)	-	2,356	-	-	-	-	-	-	-	-	-	
Total Enterprise Fund				(2,356)		28,161	(34,079)						(8,274)		34,079	
Total State Financial Assistance				\$ (1,510,139)	\$ -	\$ 20,093,562	\$ (19,578,311)	\$ -	\$ (8,579)	\$ -	\$ -	\$ (1,003,856)	\$ 389	\$ 414,149	\$ 19,568,760	
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:																
TPAF - Post Retirement																
Medical (Noncash Assistance)	495-034-5094-001	\$ 2,668,238	7/1/20-6/30/21				\$ 2,668,238									
TPAF - Pension																
Contributions (Noncash Assistance)	495-034-5094-002	8,514,263	7/1/20-6/30/21				8,514,263									
TPAF - Long-Term Disability																
Insurance (Noncash Assistance)	495-034-5094-004	4,845	7/1/20-6/30/21				4,845									
Total State Financial Assistance Subject to Calculation for Major Program Determination							\$ (8,390,965)									

The accompanying Notes to Schedule Expenditures of Federal Awards and Financial Assistance are an integral part of this Schedule.

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**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Wall Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021 (Continued)

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$7,454 for the general fund and \$27,191 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 47,595	\$ 18,723,697	\$ 18,771,292
Special Revenue Fund	1,592,473	58,142	1,650,615
Debt Service Fund	-	754,939	754,939
Food Service Fund	1,173,474	34,079	1,207,553
Total Awards & Financial Assistance	<u>\$ 2,813,542</u>	<u>\$ 19,570,857</u>	<u>\$ 22,384,399</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Wall Township School District had no loan balances outstanding at June 30, 2021.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> no
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> no
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	<u> X </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 10.553	_____ 1NJ304N1099	<u>Child Nutrition Cluster:</u>
_____ 10.553	_____ 201NJ304N1099	<u>School Breakfast Program</u>
_____ 10.555	_____ 1NJ304N1099	<u>COVID-19 School Breakfast</u>
_____ 10.555	_____ 201NJ304N1099	<u>National School Lunch Program</u>
_____ 10.555	_____ 1NJ304N1099	<u>COVID-19 Lunch Program</u>
_____ 10.555	_____ 201NJ304N1099	<u>Healthy Hunger-Free Kids</u>
_____ 10.555	_____ 1NJ304N1099	<u>COVID-19 Healthy Hunger-Free</u>
_____ 10.555	_____ 201NJ304N1099	<u>Food Distribution Program</u>
_____ 10.555	_____ 1NJ304N1099	<u>(Noncash Assistance)</u>

Dollar threshold used to determine Type A programs	\$ _____	750,000
----------------------------------------------------	----------	---------

Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no
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**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**WALL TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with Government Auditing Standards, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.