

RESOLUTION
2018/2019 AUDIT

WHEREAS, the firm of Lerch, Vinci & Higgins has prepared an audit for the Wall Township School District from July 1, 2018 through June 30, 2019; and

WHEREAS, the audit and a list of recommendations have been distributed to each Board member for review; and

WHEREAS, Mr. Ralph Picone of the firm of Lerch, Vinci & Higgins was present at the Workshop Meeting of the Board of Education of the Township of Wall on January 21, 2020, to present the audit and answer questions of the Board members and public concerning the audit and recommendations.

NOW, THEREFORE, BE IT RESOLVED, that the Wall Township Board of Education accepts the 2018/2019 audit as presented, along with the list of recommendations.

2018/2019 AUDIT SUMMARY**I. Administrative Practices and Procedures:**

1. Insurance: No recommendation
2. Official Bonds: No recommendation
3. Tuition Charges: No recommendation

II. Financial Planning, Accounting and Reporting:

1. Examination of Claims: No recommendation
2. Payroll/Personnel: No recommendation
3. Employee Position Control Roster: No recommendation
4. Reserve for Encumbrances and Accounts Payable: No recommendation
5. Classification of Expenditures: No recommendation
6. Travel: No recommendation
7. Board Secretary's Records:
 - a. It is recommended the tuition ledger be reconciled to the general ledger on a monthly basis.
8. Treasurer's Records: No recommendation
9. Unemployment Compensation Insurance Trust Fund: No recommendation
10. Elementary and Secondary Education Act (E.S.E.A) as amended by Every Student Succeeds Act (ESSA): No recommendation
11. Other Special Federal and/or State Projects: No recommendation
12. I.D.E.A. Part B: No recommendation
13. T.P.A.F. Reimbursements:
14. T.P.A.F. Reimbursements to the State for Federal Salary Expenditures:
 - a. It is recommended the TPAF reimbursement to the State be made prior to the end of the 90- day grant liquidation period as required by the Office of Grants Management.
15. Nonpublic State Aid: No recommendation

III. School Purchasing Programs:

1. Contracts and Agreements Requiring Advertisement for Bids:
 - a. It is recommended that all purchases awarded through the use of a State and/or other cooperative purchasing contract, that exceeds the bid limit, be approved by Board resolution prior to issuing a purchase order.

IV. School Food Service: No recommendation**V. Before and After School Programs:** No recommendation**VI. Student Body Activities:** No recommendation**VII. Application for State School Aid:** No recommendation**VIII. Pupil Transportation:**

- *a. It is recommended that internal controls be enhanced to ensure the District Report of Transported Resident Students is in agreement with supporting documentation.

IX. Facilities and Capital Assets: No recommendation**X. Miscellaneous:** No recommendation**XI. Status of Prior Years' Audit Findings/Recommendations:** No recommendation

A review was performed on all prior years' recommendations and corrective action was taken on all except the item denoted with an asterisk (*).

AUDIT RESPONSE
2018/2019

WHEREAS, the firm of Lerch, Vinci & Higgins has prepared an audit for the Wall Township Board of Education from July 1, 2018 through June 30, 2019; and

WHEREAS, the audit has been distributed to each Board member, there has been a presentation and review of the audit, and the audit has been formally accepted by the Wall Township Board of Education; and

WHEREAS, the Business Administrator has prepared a Corrective Action Plan which has been presented to the Board of Education.

NOW, THEREFORE, BE IT RESOLVED that the Wall Township Board of Education approves the Corrective Action Plan as presented.

CORRECTIVE ACTION PLAN 2018-2019

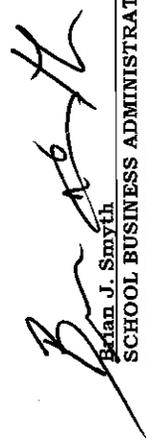
NAME OF SCHOOL: WALL TOWNSHIP
 TYPE OF AUDIT: Regular
 DATE OF BOARD MEETING: January 28, 2020
 CONTACT PERSON: Brian J. Smyth
 TELEPHONE NUMBER: (732) 556-2016

COUNTY: MONMOUTH

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
II. 7.	The tuition ledger be reconciled to the general ledger on a monthly basis.	The Accounting Manager will reconcile the tuition ledger to the general ledger on a monthly basis.	A. Brattoli	January 31, 2020
II. 14.	The TPAF reimbursement to the State be made prior to the end of the 90-day grant liquidation period as required by the Office of Grants Management.	The Accounting Manager will issue the TPAF reimbursement to the State prior to the end of the 90-day grant liquidation period as required. by the Office of Grant Management.	A. Brattoli	January 31, 2020
III. 1.	All purchases awarded through the use of a State and/or other cooperative purchasing contract, that exceeds the bid limit, be approved by Board resolution prior to issuing a purchase order.	The Purchasing Agent will request approval by a Board resolution, prior to issuing a purchase order, all purchases awarded through the use of a State and/or other cooperative purchasing contract that exceed the bid limit.	B. Smyth	January 31, 2020
VIII.	Enhance internal controls to ensure the District Report of Transported Resident Students (DRTRS) is in agreement with supporting documents.	The Transportation Supervisor will verify student transportation requests coincide with what is reported to the State Department of Education via the submission of the DRTRS.	Judy White	January 31, 2020
		The Director of Special Services will ensure student transportation requests agree with student IEP's.	Carol Duffy	January 31, 2020


 Cheryl Dyer
 CHIEF SCHOOL ADMINISTRATOR

1-23-2020
 DATE


 Brian J. Smyth
 SCHOOL BUSINESS ADMINISTRATOR/
 BOARD SECRETARY

1/23/2020
 DATE

Cc: County Superintendent

**WALL TOWNSHIP BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Township of Wall, New Jersey

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Wall Township Board of Education

Township of Wall, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by

Business Office

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INTRODUCTORY SECTION

**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**

December 4, 2019

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

Dear Board Members and Constituents of Wall Township:

The Comprehensive Annual Financial Report of the Wall Township School District for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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, governmental activities, the business-type activities and the aggregate remaining fund information at June 30, 2019 and the respective changes in financial position and cash flows. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter designed to complement Management's Discussion and Analysis and should be read in conjunction with it, the District's organizational chart and a list of principal officials and consultants and advisors. The financial section includes the management's discussion and analysis (immediately following 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey's OMB Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*". Information related to this single audit, including the auditor's report on the internal control and compliance with applicable major programs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Wall Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB 14. All funds of the District are included in this report. The Wall Township Board of Education and all its schools constitute the District's reporting entity.

1. REPORTING ENTITY AND ITS SERVICES (continued):

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education students. In addition, services are also provided for pre-school handicapped special needs students. The District's enrollment for the 2018-2019 school year, as of October 15, 2018, was 3,384 students on rolls which is 16 students below the previous year's enrollment, and 3,351 resident students which is 6 students less than the previous year.

2. ECONOMIC CONDITIONS:

The Wall Township area continues to experience limited residential development and turnover which results in enrollment declining on a consistent basis. However, enrollment has increased at the lower grades at the elementary schools which is attributed to the district offering full-day kindergarten as well as a before and after school program.

3. MAJOR INITIATIVES:

The 2018-2019 budget was an increase of 6.67% over the prior year budget with the Operating Budget totaling \$ 74,272,000. The budget included capital project funds in the amount of \$3,412,780 for auditorium seating replacement at Wall Intermediate School, boiler replacement at Old Mill Elementary, and \$2,850,000 for the development of Student Transportation Facility.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control 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). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is 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 the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine whether the District has complied with applicable laws and regulations relating to its major programs.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. 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 and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. 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 and these funds are explained in “Notes to the Basic Financial Statements”; Note 1.

7. 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, 2019 the District’s outstanding debt issues are below the legal debt margin and are summarized in the “Notes to the Basic Financial Statements”; Note 4.

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 is \$17,515,000 and the net interest rate of the bonds is 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 will start planning to identify programs and capital improvement projects best suited for debt service funding.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute, as detailed in “Notes to the Basic Financial Statements”; Note 4. The District utilizes a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect government units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to fire, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

A. Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. The auditor’s report on the basic financial statements required supplementary information and other supplementary information are 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.

11. SIGNIFICANT BUDGET VARIATIONS OR MODIFICATIONS DISCUSSION FOR NEXT YEAR

Legislative reforms and mandates will continue to have a significant impact on development of future budgets. The uncertainty of state aid and restrictions on tax levy increases will continue to impact the District's ability to enhance programs and facilities within the annual budget. The district will be required to use available reserve accounts to fund a budget that meets the goals of the district while staying within the constraints of the 2% tax levy cap.

12. ACKNOWLEDGEMENTS:

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



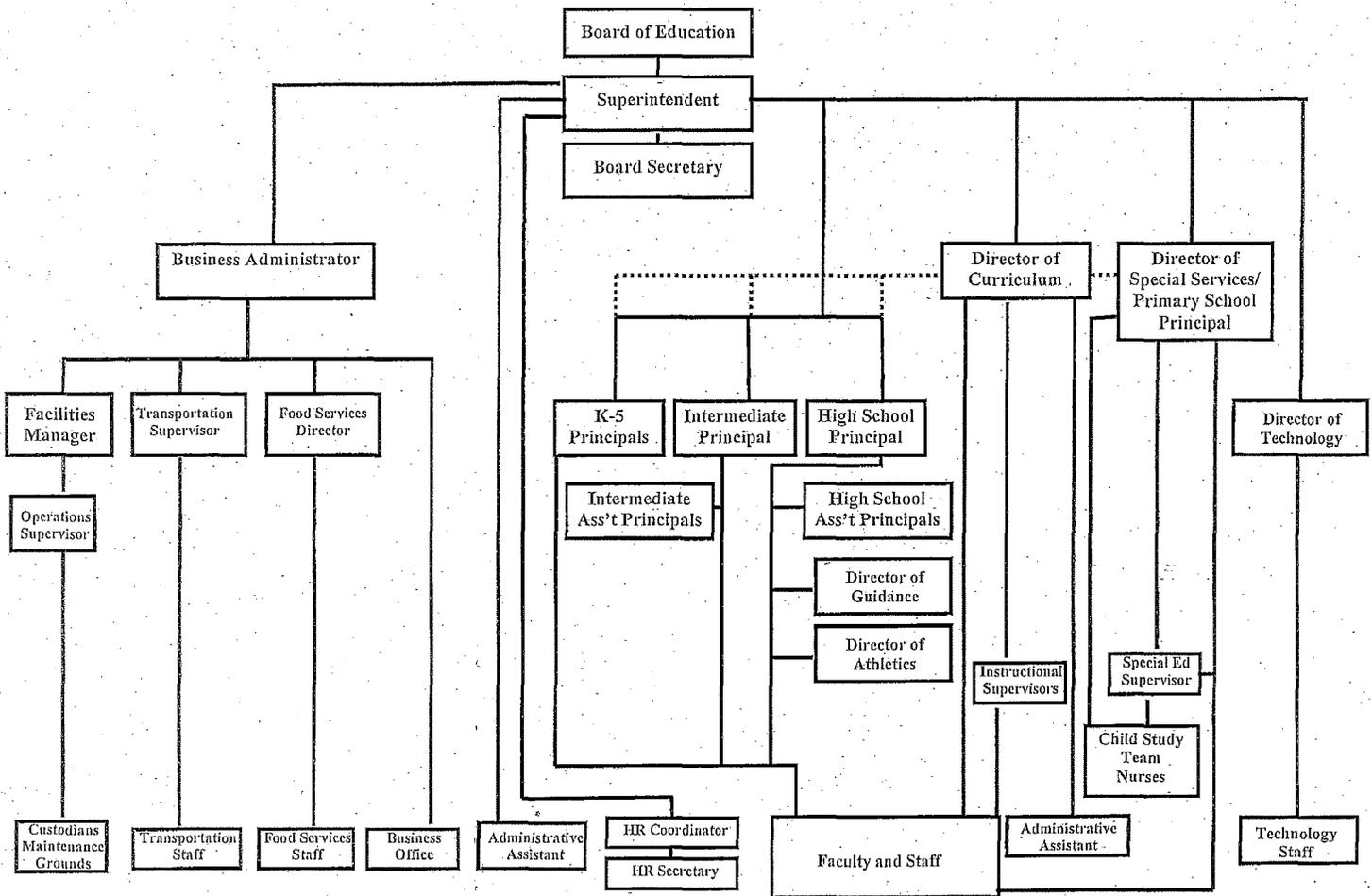
Brian J. Smyth
Business Administrator



Cheryl Dyer
Superintendent of Schools

Wall Township Public Schools

Organizational Chart



REVISED: July 15, 2014

As defined by job descriptions

..... Related to Curriculum and/or Special Education

Attachment S5

WALL TOWNSHIP BOARD OF EDUCATION

WALL, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Allison Connolly – President	January 2021
Robin Zawodniak – Vice President	January 2020
Ralph Addonizio	January 2020
Andrew Krupa	January 2020
Michael McArthur	January 2022
Dorothy Molloy	January 2020
Christopher San Filippo	January 2021
John Sullivan	January 2022
Kenneth Wondrack	January 2021

Other Officials

Cheryl Dyer, Superintendent of Schools
Brian J. Smyth, Business Administrator/Board Secretary
Mr. Pablo Canela, Treasurer
Michael J. Gross, Board Attorney

WALL TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Attorney

Kenney, Gross, Kovats & Parton
130 Maple Avenue
Red Bank, NJ 07701

Audit Firm

Lerch, Vinci, Higgins, LLP
17-17 Route 208 North
Fairlawn, NJ 07410

Financial Advisor

Phoenix Advisors
4 West Park Street
Bordentown, NJ 08505

**Health Benefit
Insurance Broker**

Brown & Brown Metro, Inc.
56 Livingston Avenue
P.O. Box 369
Roseland, NJ 07068-0369

Official Depository

TD Bank
1840 Old Mill Road
Wall, NJ 07719

**Property & Casualty
Insurance Broker**

Willis of New Jersey, Inc.
P.O. Box 5002
Short Hills, NJ 07078-5002

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Wall Township Board of Education
Wall Township, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wall Township Board of Education, as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Board of Education'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 the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information 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 Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Wall Township Board of Education.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, 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, financial schedules and statistical section 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 December 4, 2019 on our consideration of the Wall Township Board of Education'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 Wall Township Board of Education'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 Wall Township Board of Education's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Donna L. Japhet

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 4, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

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, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2018-2019) and the prior year (2017-2018) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-2019 fiscal year include the following:

- The assets and deferred outflows of resources of the Wall Township Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$4,658,575 (net position).
- Overall revenues were \$97,782,567. General revenues accounted for \$68,349,645 or 70% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$29,432,922 or 30% of total revenues.
- The school district had \$93,589,948 in expenses for governmental activities; only \$27,411,869 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$68,349,645 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$11,376,165.
- The General Fund fund balance at June 30, 2019 was \$11,124,962, an increase of \$1,014,892 when compared with the beginning balance at July 1, 2018 of \$10,110,070.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

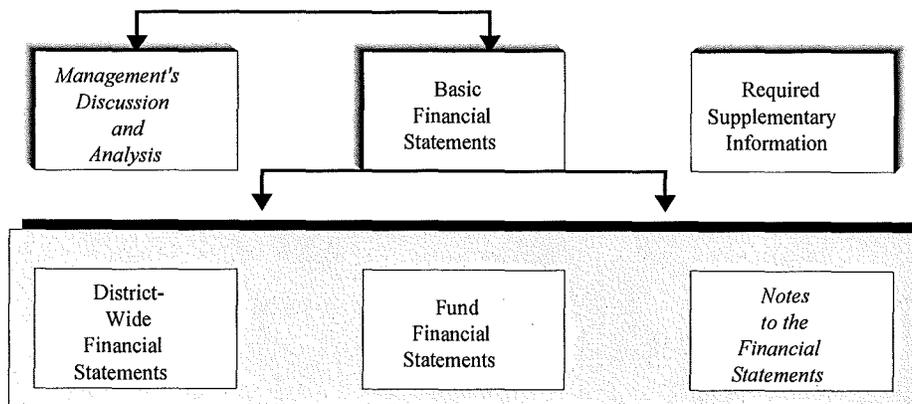
OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District's operations in *more detail* than the district-wide statements.
 - The *Governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending.
 - *Proprietary funds statements* offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
 - *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The basic financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1



**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance, and community education.	Activities the district operates similar to private businesses: Enterprise funds	Instances in which the district administers resources on behalf of someone else, such as Unemployment, Payroll Agency, and Student Activities
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows/inflows of resources, and liability information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long term funds do not currently contain capital assets.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District’s assets, deferred outflows/inflows of resources and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District’s financial health or position.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

District-Wide Financial Statements (continued)

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.
- *Business Type Activities* – This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund and the Before and After School Programs Fund are reported as Enterprise Funds.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and bond covenants.
- The District establishes other funds established in accordance with the State of New Jersey Uniform Chart of Accounts to control and manage money for particular purposes (e.g., repaying its long-term debts) to show that it is properly using certain revenues (federal and state grants).

The District has three kinds of funds:

- *Governmental Funds* – The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- *Proprietary Funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

Fund Financial Statements (Continued)

Enterprise Funds – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has a Food Service (cafeteria) enterprise fund and a Before and After School Programs enterprise fund.

- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 as well as other post-employment benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,658,575 (net position) as of June 30, 2019. The deficit in unrestricted net position of \$26,374,370 as of June 30, 2019 in the Governmental Activities is attributable to the unfunded long-term liabilities such as the net pension liability for the District employees participating in the NJ Public Employee Retirement System, compensated absences and the 2012 Pension Refunding Bonds. These liabilities are reported in the government-wide statements but not on the fund financial statements. This deficit is not an indication that the District is facing financial difficulties as there is currently no mechanism available to fund these liabilities in advance and they are being funded on a pay-as-you-go basis.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net Position
As of June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current Assets	\$ 15,411,150	\$ 15,172,014	\$ 343,118	\$ 257,321	\$ 15,754,268	\$ 15,429,335
Capital Assets, Net	<u>37,018,205</u>	<u>37,573,449</u>	<u>82,010</u>	<u>94,376</u>	<u>37,100,215</u>	<u>37,667,825</u>
Total Assets	<u>52,429,355</u>	<u>52,745,463</u>	<u>425,128</u>	<u>351,697</u>	<u>52,854,483</u>	<u>53,097,160</u>
Deferred Outflows of Resources						
Deferred Amount on Refunding of Debt	149,315	202,119	-	-	149,315	202,119
Deferred Amounts on Net Pension Liability	<u>5,342,947</u>	<u>8,148,106</u>	<u>-</u>	<u>-</u>	<u>5,342,947</u>	<u>8,148,106</u>
Total Deferred Outflows of Resources	<u>5,492,262</u>	<u>8,350,225</u>	<u>-</u>	<u>-</u>	<u>5,492,262</u>	<u>8,350,225</u>
Total Assets and Deferred Outflows of Resources	<u>57,921,617</u>	<u>61,095,688</u>	<u>425,128</u>	<u>351,697</u>	<u>58,346,745</u>	<u>61,447,385</u>
Liabilities						
Long-Term Liabilities	40,279,286	47,443,884			40,279,286	47,443,884
Other Liabilities	<u>4,329,835</u>	<u>5,196,247</u>	<u>67,837</u>	<u>45,582</u>	<u>4,397,672</u>	<u>5,241,829</u>
Total Liabilities	<u>44,609,121</u>	<u>52,640,131</u>	<u>67,837</u>	<u>45,582</u>	<u>44,676,958</u>	<u>52,685,713</u>
Deferred Inflows of Resources						
Deferred Amounts of Net Pension Liability	9,011,212	6,325,839			9,011,212	6,325,839
Commodities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,617</u>	<u>-</u>	<u>1,617</u>
Total Deferred Inflows of Resources	<u>9,011,212</u>	<u>6,325,839</u>	<u>-</u>	<u>1,617</u>	<u>9,011,212</u>	<u>6,327,456</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,620,333</u>	<u>58,965,970</u>	<u>67,837</u>	<u>47,199</u>	<u>53,688,170</u>	<u>59,013,169</u>
Net Position						
Net Investment in Capital Assets	23,668,548	22,614,140	82,010	94,376	23,750,558	22,708,516
Restricted	7,007,106	7,879,125			7,007,106	7,879,125
Unrestricted	<u>(26,374,370)</u>	<u>(28,363,547)</u>	<u>275,281</u>	<u>210,122</u>	<u>(26,099,089)</u>	<u>(28,153,425)</u>
Total Net Position	<u>\$ 4,301,284</u>	<u>\$ 2,129,718</u>	<u>\$ 357,291</u>	<u>\$ 304,498</u>	<u>\$ 4,658,575</u>	<u>\$ 2,434,216</u>

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

**Change in Net Position
For The Fiscal Years Ended June 30, 2019 and 2018**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,004,092	\$ 729,381	\$ 1,725,819	\$ 1,674,780	\$ 2,729,911	\$ 2,404,161
Operating Grants and Contributions	26,352,905	32,776,510	295,234	263,549	26,648,139	33,040,059
Capital Grants and Contributions	54,872	138,688			54,872	138,688
General Revenues						
Property Taxes	67,661,150	66,377,929			67,661,150	66,377,929
State Aid	449,440	461,720			449,440	461,720
Other	239,055	1,001,911	-	-	239,055	1,001,911
Total Revenues	<u>95,761,514</u>	<u>101,486,139</u>	<u>2,021,053</u>	<u>1,938,329</u>	<u>97,782,567</u>	<u>103,424,468</u>
Expenses						
Instruction						
Regular	36,508,007	39,377,966			36,508,007	39,377,966
Special Education	16,858,330	18,001,939			16,858,330	18,001,939
Vocational Education	620,206	631,973			620,206	631,973
Other Instruction	1,777,481	1,804,832			1,777,481	1,804,832
School Sponsored Cocurricular/Athletics	2,024,421	2,157,394			2,024,421	2,157,394
Support Services						
Student and Instruction Related Services	11,362,762	11,454,012			11,362,762	11,454,012
School Administrative Services	4,775,129	5,383,818			4,775,129	5,383,818
General Administrative Services	2,986,703	2,367,353			2,986,703	2,367,353
Plant Operations and Maintenance	8,635,521	8,213,055			8,635,521	8,213,055
Pupil Transportation	5,819,040	5,869,426			5,819,040	5,869,426
Business/Central and Other Support Services	1,858,143	1,857,613			1,858,143	1,857,613
Interest on Long-Term Debt	364,205	418,974			364,205	418,974
Food Service			1,494,552	1,507,486	1,494,552	1,507,486
After School Prep Programs	-	-	473,708	416,661	473,708	416,661
Total Expenses	<u>93,589,948</u>	<u>97,538,355</u>	<u>1,968,260</u>	<u>1,924,147</u>	<u>95,558,208</u>	<u>99,462,502</u>
Change in Net Position	2,171,566	3,947,784	52,793	14,182	2,224,359	3,961,966
Net Position, Beginning of Year	<u>2,129,718</u>	<u>(1,818,066)</u>	<u>304,498</u>	<u>290,316</u>	<u>2,434,216</u>	<u>(1,527,750)</u>
Net Position, End of Year	<u>\$ 4,301,284</u>	<u>\$ 2,129,718</u>	<u>\$ 357,291</u>	<u>\$ 304,498</u>	<u>\$ 4,658,575</u>	<u>\$ 2,434,216</u>

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

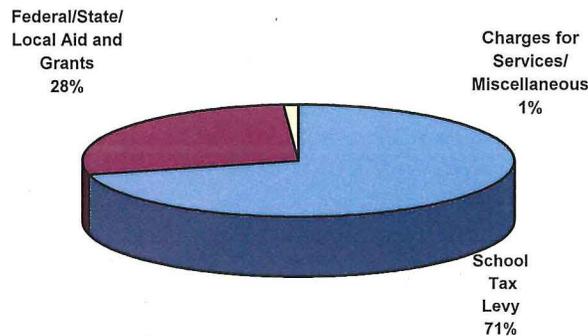
**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Governmental Activities. The District's total governmental activities' revenues, which include State and Federal grants, were \$95,761,514 for the year ended June 30, 2019, a decrease of \$5,724,625 or 6 percent decrease from the previous year. A large portion of this decrease is attributable to the adjustment to the on-behalf OPEB expense to recognize the actuarially determined amount that should have been contributed on behalf of the District. This adjustment which impacts both the revenues and expenses of the governmental activities was \$4,530,959 compared to the prior year adjustment of \$8,102,138. Property taxes of \$67,661,150 represented 71% of revenues. Another portion of revenues came from State, Federal and Local aid; total State, Federal and local aid was \$26,857,217. Charges for services such as tuition and rentals were \$1,004,092. The balance of revenues is miscellaneous income which includes items such as rentals, prior your accounts payable cancelled, prior year refunds, etc.

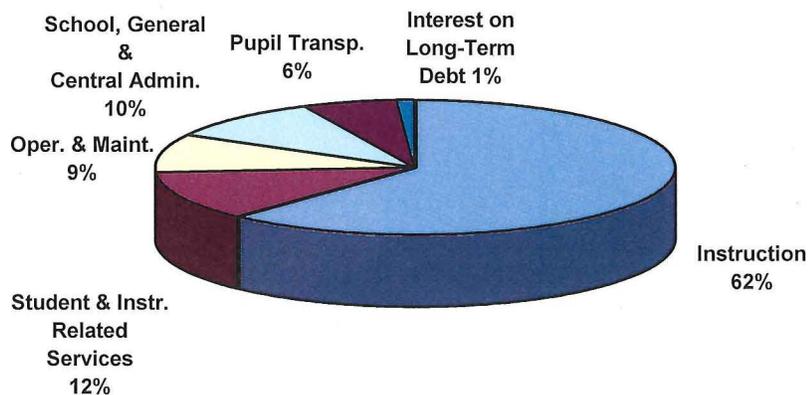
The total cost of all governmental activities programs and services was \$93,589,948. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$57,788,445 (62%) of total expenses. Student and instruction related and other support services (exclusive of interest on long-term debt) total \$35,437,298 or (38%) of total expenses. The balance of expenses was interest on long-term debt which represented less than 1% of total expenses.

Total governmental activities revenues exceed expenses, increasing net position \$2,171,566 from the previous year.

Revenues by Source- Governmental Activities
For Fiscal Year 2019



Expenses by Type-Governmental Activities
For Fiscal Year 2019



**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

Total and Net Cost of Governmental Activities. The District's total cost of services was \$93,589,948. After applying program revenues, derived from charges for services of \$1,004,092 and operating and capital grants and contributions of \$26,407,777, the net cost of services of the District is \$66,178,079.

**Total and Net Cost of Services of Governmental Activities
For The Fiscal Years Ended June 30, 2019 and 2018**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	36,508,007	39,377,966	\$ 24,558,887	\$ 23,187,456
Special Education	16,858,330	18,001,939	7,792,638	8,223,157
Vocational Education	620,206	631,973	620,206	631,973
Other Instruction	1,777,481	1,804,832	1,187,606	1,084,149
School Sponsored Cocurricular/Athletics	2,024,421	2,157,394	1,438,992	1,394,257
Support Services				
Student and Instruction Related Services	11,362,762	11,454,012	10,016,316	9,677,971
School Administrative Services	4,775,129	5,383,818	4,467,151	3,924,306
General Administrative Services	2,986,703	2,367,353	2,144,781	2,291,093
Plant Operations and Maintenance	8,635,521	8,213,055	7,748,610	7,012,063
Pupil Transportation	5,819,040	5,869,426	4,373,733	4,658,928
Business and Other Support Services	1,858,143	1,857,613	1,763,570	1,686,813
Interest on Long-Term Debt	364,205	418,974	65,589	121,610
	<u>364,205</u>	<u>418,974</u>	<u>65,589</u>	<u>121,610</u>
Total	<u>\$ 93,589,948</u>	<u>\$ 97,538,355</u>	<u>\$ 66,178,079</u>	<u>\$ 63,893,776</u>

Business-Type Activities – The District's total business-type activities revenues were \$2,021,053 for the year ended June 30, 2019. Charges for services of \$1,725,819 accounted for 85% of total revenues. Operating grants and contributions of \$295,234 accounted for 15% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,968,260. The District's expenses are related to Food Service programs provided to all students, teachers and administrators as well as expenses related to the Before and After School programs.

Total business-type activities revenues exceeded expenses increasing net position by \$52,793 from the last year.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

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. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$11,376,165. At June 30, 2018, the fund balance was \$10,306,400.

Revenues and other financing sources for the District's governmental funds were \$87,058,613, while total expenses were \$85,988,848, thereby increasing fund balance by \$1,069,765.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of General Fund Revenues (GAAP Basis).

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 65,330,579	\$ 64,053,498	\$ 1,277,081	2%
Tuition	879,340	620,035	259,305	42%
Miscellaneous	363,807	1,111,257	(747,450)	-67%
State/Federal Sources	<u>14,984,283</u>	<u>13,592,632</u>	<u>1,391,651</u>	10%
Total General Fund Revenues	<u>\$ 81,558,009</u>	<u>\$ 79,377,422</u>	<u>\$ 2,180,587</u>	3%

Total General Fund Revenues increased by \$2,180,587 or 3% over the previous year.

Local property taxes increased by 2 percent over the previous year. State and federal aid revenues increased \$1,391,651 or 10%. This increase is predominantly attributed to an increase in State On-Behalf TPAF pension, other post-employment benefits and social security costs contributed by the State.

Tuition revenues increased by \$259,305 or 42% due to an increase in students received from other school districts.

Miscellaneous income revenues decreased by \$747,450 compared to the prior year due to non recurring cancellation of prior year accounts payable.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

The following schedule presents a summary of General Fund expenditures (GAAP Basis).

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 49,013,066	\$ 46,756,309	\$ 2,256,757	5%
Support Services	30,516,088	28,385,210	2,130,878	8%
Capital Outlay	1,686,432	1,372,102	314,330	23%
Debt Service	<u>262,531</u>	<u>262,584</u>	<u>(53)</u>	0%
Total Expenditures	<u>\$ 81,478,117</u>	<u>\$ 76,776,205</u>	<u>\$ 4,701,912</u>	6%

Total General Fund expenditures increased \$4,701,912 or 6% from the previous year. The District experienced increases in areas of instruction, support services and capital outlay expenditures.

In 2018-2019 General Fund expenditures were less than revenues and other financing sources by \$1,014,892. As a result, total fund balance increased to \$11,124,962 at June 30, 2019. After deducting restrictions and assignments, the unassigned fund balance decreased from \$854,228 at June 30, 2018 to \$600,499 at June 30, 2019.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$1,433,622 for the year ended June 30, 2019. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 93% of the total revenue for the year.

Total Special Revenue Fund revenues increased by \$54,063 from the previous year. State sources increased \$4,300, Federal sources increased \$39,703 and local sources increased by \$10,060.

Expenditures of the Special Revenue Fund were also \$1,433,622. Instructional expenditures were \$1,108,228 or 77%. Expenditures for the student and instructional related support services were \$325,394 or 23% of total expended for the year ended June 30, 2019.

Capital Projects – The Capital Projects revenues were more than expenditures by \$54,872 increasing fund balance to \$251,202 at June 30, 2019. The District has undertaken various improvements throughout the entire district, which began in 2016/17. These projects were partially locally funded by budget appropriation as well as SDA grants awarded by the State of New Jersey.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

Proprietary Funds

The District maintains the Enterprise Funds to account for activities which are supported in part through user fees.

Enterprise Fund - The District uses an Enterprise Fund to report activities related to the Food Services and Before and After School programs. The District's Enterprise Funds provide the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of these Funds have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating prior year purchase orders being carried over.

Revisions in the budget were made through budget transfers to prevent over expenditures in specific line item accounts. There were certain revisions to the budget during the year other than the reappropriation of prior year encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$37,100,215 (net of accumulated depreciation). The capital assets consist of land, improvements other than buildings, construction in progress, buildings and building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2018-19 amounted to \$2,241,676 for governmental activities and \$15,032 for business-type activities.

Capital Assets at June 30, 2019 and 2018
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 534,652	\$ 534,652			\$ 534,652	\$ 534,652
Construction in Progress	405,323	20,691			405,323	20,691
Building and Building Improvements	32,611,579	33,036,012			32,611,579	33,036,012
Improvements other than Buildings	329,451	409,664			329,451	409,664
Machinery and Equipment	<u>3,137,200</u>	<u>3,572,430</u>	<u>\$ 82,010</u>	<u>\$ 94,376</u>	<u>3,219,210</u>	<u>3,666,806</u>
Total Capital Assets, Net	<u>\$ 37,018,205</u>	<u>\$ 37,573,449</u>	<u>\$ 82,010</u>	<u>\$ 94,376</u>	<u>\$ 37,100,215</u>	<u>\$ 37,667,825</u>

Additional information on the District's capital assets are presented in the "Notes to the Financial Statements" of this report.

**WALL TOWNSHIP BOARD OF EDUCATION
TOWNSHIP OF WALL, NEW JERSEY**

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

LONG TERM LIABILITIES

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,758,790, capital leases payable of \$1,100,329, bonds payable including unamortized premium of \$13,928,643 and net pension liability of \$23,491,524.

Additional information of the District's long-term liabilities is presented in the "Notes to the Financial Statements" of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Wall Township Board of Education is in good financial condition presently. Future finances are not without challenges as the community continues to grow and state funding is decreased.

Wall Township is primarily a residential community with very few commercial ratables. The majority of revenues needed to operate the District is derived from homeowners through property tax assessments and collections.

For the 2019/2020 school year, the School Board was able to sustain its general fund budget through the local tax levy, State education aid, federal aid, tuition and local revenue sources. Approximately 6% of the School Board's general fund revenue is from State and Federal Aid, 86% of total revenue is from local tax levy, and 8% is from other local sources, including interest, tuition, transportation fees, miscellaneous and the appropriation of prior year fund balance.

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. The District may experience growth in student population and there is uncertainty regarding future funding levels of state aid. The tax levy will be the area that will need to absorb any increase in budget obligations.

Wall Township Public Schools are experiencing increased enrollment at the high school and at some of the elementary schools.

Many factors were considered by the District's administration during the process of developing the fiscal year 2019/2020 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing special education costs, liability insurance and employee related benefit costs.

In conclusion, the Wall Township Board of Education has committed itself to financial excellence for the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Wall Township Public Schools, P.O. Box 1199, 18th Avenue, Wall, NJ 07719.

BASIC FINANCIAL STATEMENTS

**WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 11,241,965	\$ 318,286	\$ 11,560,251
Receivables, net	1,711,926	20,476	1,732,402
Inventories		4,356	4,356
Restricted			
Cash with Fiscal Agents	2,457,259		2,457,259
Capital Assets			
Not Being Depreciated	939,975		939,975
Being Depreciated, Net	<u>36,078,230</u>	<u>82,010</u>	<u>36,160,240</u>
Total Assets	<u>52,429,355</u>	<u>425,128</u>	<u>52,854,483</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	149,315	-	149,315
Deferred Amounts on Net Pension Liability	<u>5,342,947</u>	<u>-</u>	<u>5,342,947</u>
Total Deferred Outflows of Resources	<u>5,492,262</u>	<u>-</u>	<u>5,492,262</u>
Total Assets and Deferred Outflows of Resources	<u>57,921,617</u>	<u>425,128</u>	<u>58,346,745</u>
LIABILITIES			
Accounts Payable	1,890,630	15,669	1,906,299
Accrued Interest Payable	294,850		294,850
Payable to Government	39,072		39,072
Unearned Revenue	178,037	52,168	230,205
Accrued Liability for Insurance Claims	1,927,246		1,927,246
Noncurrent Liabilities			
Due Within One Year	2,838,190		2,838,190
Due Beyond One Year	<u>37,441,096</u>	<u>-</u>	<u>37,441,096</u>
Total Liabilities	<u>44,609,121</u>	<u>67,837</u>	<u>44,676,958</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>9,011,212</u>	<u>-</u>	<u>9,011,212</u>
Total Deferred Inflows of Resources	<u>9,011,212</u>	<u>-</u>	<u>9,011,212</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,620,333</u>	<u>67,837</u>	<u>53,688,170</u>
NET POSITION			
Net Investment in Capital Assets	23,668,548	82,010	23,750,558
Restricted for			
Capital Projects	5,976,006		5,976,006
Debt Service	1		1
Maintenance	1,031,099		1,031,099
Unrestricted	<u>(26,374,370)</u>	<u>275,281</u>	<u>(26,099,089)</u>
Total Net Position	<u>\$ 4,301,284</u>	<u>\$ 357,291</u>	<u>\$ 4,658,575</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 36,508,007	\$ 176,425	\$ 11,772,695		\$ (24,558,887)		\$ (24,558,887)
Special Education	16,858,330	702,915	8,362,777		(7,792,638)		(7,792,638)
Vocational Education	620,206				(620,206)		(620,206)
Other Instruction	1,777,481		589,875		(1,187,606)		(1,187,606)
School Sponsored Cocurricular/Athletic	2,024,421		585,429		(1,438,992)		(1,438,992)
Support Services							
Student and Instruction Related Services	11,362,762		1,346,446		(10,016,316)		(10,016,316)
School Administrative Services	4,775,129		307,978		(4,467,151)		(4,467,151)
General Administrative Services	2,986,703		841,922		(2,144,781)		(2,144,781)
Plant Operations and Maintenance	8,635,521	120,333	711,706	\$ 54,872	(7,748,610)		(7,748,610)
Pupil Transportation	5,819,040	4,419	1,440,888		(4,373,733)		(4,373,733)
Business/Central and Other Support Services	1,858,143		94,573		(1,763,570)		(1,763,570)
Interest on Long-Term Debt	364,205	-	298,616		(65,589)		(65,589)
Total Governmental Activities	<u>93,589,948</u>	<u>1,004,092</u>	<u>26,352,905</u>	<u>54,872</u>	<u>(66,178,079)</u>	<u>-</u>	<u>(66,178,079)</u>
Business-Type Activities							
Food Service	1,494,552	1,268,380	295,234			\$ 69,062	69,062
Before and After School Programs	473,708	457,439	-			(16,269)	(16,269)
Total Business-Type Activities	<u>1,968,260</u>	<u>1,725,819</u>	<u>295,234</u>	<u>-</u>	<u>-</u>	<u>52,793</u>	<u>52,793</u>
Total Primary Government	<u>\$ 95,558,208</u>	<u>\$ 2,729,911</u>	<u>\$ 26,648,139</u>	<u>\$ 54,872</u>	<u>(66,178,079)</u>	<u>52,793</u>	<u>(66,125,286)</u>

(Continued)

**WALL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Carried Forward	\$ (66,178,079)	\$ 52,793	\$ (66,125,286)
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	65,330,579		65,330,579
Property Taxes, Levied for Debt Service	2,330,571		2,330,571
State Aid Restricted for Debt Service Principal	447,923		447,923
State Aid- Unrestricted	1,517		1,517
Investment Earnings	88,398		88,398
Miscellaneous Income	150,657	-	150,657
Total General Revenues	68,349,645	-	68,349,645
Change in Net Position	2,171,566	52,793	2,224,359
Net Position, Beginning of Year	2,129,718	304,498	2,434,216
Net Position, End of Year	\$ 4,301,284	\$ 357,291	\$ 4,658,575

FUND FINANCIAL STATEMENTS

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 11,241,964			\$ 1	\$ 11,241,965
Cash Held with Fiscal Agents	2,457,259				2,457,259
Receivables From Other Governments	170,851	\$ 394,805	\$ 956,520		1,522,176
Other Receivables	162,201	27,549			189,750
Due from Other Funds	<u>862,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,049</u>
Total Assets	<u>\$ 14,894,324</u>	<u>\$ 422,354</u>	<u>\$ 956,520</u>	<u>\$ 1</u>	<u>\$ 16,273,199</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,813,820	\$ 76,810			\$ 1,890,630
Due to Other Funds		175,861	\$ 686,188		862,049
Intergovernmental Payable					
Federal		10,758			10,758
State		28,314			28,314
Unearned Revenue	28,296	130,611	19,130		178,037
Accrued Liability for Insurance Claims	<u>1,927,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,927,246</u>
Total Liabilities	<u>3,769,362</u>	<u>422,354</u>	<u>705,318</u>	<u>-</u>	<u>4,897,034</u>
Fund Balances					
Restricted Fund Balance					
Capital Reserve	2,267,804				2,267,804
Capital Reserve - Designated for Subsequent Year's Expenditures (2019/20 Budget)	3,457,000				3,457,000
Maintenance Reserve	531,099				531,099
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2019/20 Budget)	500,000				500,000
Emergency Reserve	584,000				584,000
Emergency Reserve - Designated for Subsequent Year's Expenditures (2019/20 Budget)	695,000				695,000
Capital Projects			251,202		251,202
Debt Service				\$ 1	1
Committed Fund Balance					
Year-End Encumbrances	1,679,277				1,679,277
Assigned Fund Balance					
Year-End Encumbrances	230,578				230,578
Designated for Subsequent Year's Expenditures	579,705				579,705
Unassigned Fund Balance					
General Fund	<u>600,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,499</u>
Total Fund Balances	<u>11,124,962</u>	<u>-</u>	<u>251,202</u>	<u>1</u>	<u>11,376,165</u>
Total Liabilities and Fund Balances	<u>\$ 14,894,324</u>	<u>\$ 422,354</u>	<u>\$ 956,520</u>	<u>\$ 1</u>	<u>\$ 16,273,199</u>

**WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

Total Fund Balance (Exhibit B-1) \$ 11,376,165

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 \$67,139,556 and the accumulated depreciation is \$30,121,351. 37,018,205

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (294,850)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 149,315

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net pension and deferred over future years.

Deferred Outflows of Resources	\$ 5,342,947	
Deferred Inflows of Resources	<u>(9,011,212)</u>	(3,668,265)

Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 2A) (40,279,286)

Net Position of Governmental Activities (Exhibit A-1) \$ 4,301,284

WALL TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Local Property Tax Levy	\$ 65,330,579			\$ 2,330,571	\$ 67,661,150
Tuition	800,587				800,587
Preschool Tuition	78,753				78,753
Transportation Fees	4,419				4,419
Rental Fees	120,333				120,333
Investment Earnings	88,398				88,398
Miscellaneous	150,657	\$ 42,255	-	-	192,912
Total - Local Sources	66,573,726	42,255	-	2,330,571	68,946,552
State Sources	14,942,147	64,102	\$ 54,872	746,539	15,807,660
Federal Sources	42,136	1,327,265	-	-	1,369,401
Total Revenues	81,558,009	1,433,622	54,872	3,077,110	86,123,613
EXPENDITURES					
Current					
Regular Instruction	31,123,015	314,303			31,437,318
Special Education Instruction	13,983,910	793,925			14,777,835
Vocational Education	620,206				620,206
Other Instruction	1,518,521				1,518,521
School Sponsored Cocurricular/Athletics	1,767,414				1,767,414
Support Services					
Student & Instruction Related Services	9,900,054	325,394			10,225,448
School Administrative Services	4,433,677				4,433,677
General Administrative Services	1,068,454				1,068,454
Plant Operations and Maintenance	8,158,857				8,158,857
Pupil Transportation	5,213,044				5,213,044
Business and Other Support Services	1,742,002				1,742,002
Debt Service					
Principal	250,816			2,415,000	2,665,816
Interest and other charges	11,715			662,109	673,824
Capital Outlay	1,686,432	-	-	-	1,686,432
Total Expenditures	81,478,117	1,433,622	-	3,077,109	85,988,848
Excess (Deficiency) of Revenues Over/(Under) Expenditures	79,892	-	54,872	1	134,765
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	935,000	-	-	-	935,000
Total Other Financing Sources and Uses	935,000	-	-	-	935,000
Net Change in Fund Balances	1,014,892	-	54,872	1	1,069,765
Fund Balance, Beginning of Year	10,110,070	-	196,330	-	10,306,400
Fund Balance, End of Year	\$ 11,124,962	\$ -	\$ 251,202	\$ 1	\$ 11,376,165

The accompanying Notes to the 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,069,765

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 outlay in the period.

Depreciation expense	\$ (2,241,676)	
Capital outlays	<u>1,686,432</u>	(555,244)

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.

Decrease in accrued interest	35,783
------------------------------	--------

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the net effect of these activities: (See Note 2B)

1,730,816

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Original Issue Premium	326,640	
Amortization of Deferred Amount on Refunding of Debt	<u>(52,804)</u>	273,836

In the statement of activities, certain operating expenses, e.g., compensated absences and pension expense 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.

Compensated Absences, Net	(76,947)	
Pension Expense, Net	<u>(306,443)</u>	(383,390)

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 2,171,566

**WALL TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	Business-Type Activities-Enterprise Funds		
	Food Services	Other Non-Major Enterprise Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 198,285	\$ 120,001	\$ 318,286
Intergovernmental Accounts Receivable			
State	556		556
Federal	14,071		14,071
Accounts Receivable	4,707	1,142	5,849
Inventories	4,356	-	4,356
	<u>221,975</u>	<u>121,143</u>	<u>343,118</u>
Total Current Assets			
Capital Assets			
Machinery & Equipment	593,727		593,727
Less: Accumulated Depreciation	<u>(511,717)</u>	<u>-</u>	<u>(511,717)</u>
Total Capital Assets, Net	<u>82,010</u>	<u>-</u>	<u>82,010</u>
Total Assets	<u>303,985</u>	<u>121,143</u>	<u>425,128</u>
LIABILITIES			
Current Liabilities			
Accounts Payable		15,669	15,669
Unearned Revenue	38,558	13,610	52,168
	<u>38,558</u>	<u>29,279</u>	<u>67,837</u>
Total Current Liabilities			
NET POSITION			
Investment in Capital Assets	82,010		82,010
Unrestricted	<u>183,417</u>	<u>91,864</u>	<u>275,281</u>
Total Net Position	<u>\$ 265,427</u>	<u>\$ 91,864</u>	<u>\$ 357,291</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WALL TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities-Enterprise Funds		
	Food Services	Other Non-Major Enterprise Fund	Total
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable	\$ 434,744		\$ 434,744
Daily Sales - Non Reimbursable	833,636		833,636
Program Fees	-	\$ 457,439	457,439
Total Operating Revenues	<u>1,268,380</u>	<u>457,439</u>	<u>1,725,819</u>
OPERATING EXPENSES			
Cost of Sales - Reimbursable	367,181		367,181
Cost of Sales - Non Reimbursable	229,682		229,682
Salaries and Employee Benefits	820,167	373,246	1,193,413
Purchased Property Services		75,368	75,368
Supplies and Materials	40,736	3,923	44,659
Purchased Professional and Technical Services	6,936		6,936
Repairs & Maintenance	11,954		11,954
Other Purchased Services		21,171	21,171
Miscellaneous Expenditures	2,864		2,864
Depreciation	15,032	-	15,032
Total Operating Expenses	<u>1,494,552</u>	<u>473,708</u>	<u>1,968,260</u>
Operating Income/(Loss)	<u>(226,172)</u>	<u>(16,269)</u>	<u>(242,441)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	9,091		9,091
Federal Sources			
School Breakfast Program	22,855		22,855
National School Lunch Program	208,960		208,960
Food Distribution Program	54,328	-	54,328
Total Nonoperating Revenues	<u>295,234</u>	<u>-</u>	<u>295,234</u>
Change in Net Position	69,062	(16,269)	52,793
Total Net Position, Beginning of Year	<u>196,365</u>	<u>108,133</u>	<u>304,498</u>
Total Net Position, End of Year	<u>\$ 265,427</u>	<u>\$ 91,864</u>	<u>\$ 357,291</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WALL TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Business-Type Activities-Enterprise Funds		
	Food Services	Other Non-Major Enterprise Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 1,262,615	\$ 471,668	\$ 1,734,283
Payments to Employees' Salaries and Benefits	(820,167)	(358,243)	(1,178,410)
Payments to Suppliers for Goods and Services	(606,725)	(100,462)	(707,187)
Net Cash Provided/(Used) by Operating Activities	(164,277)	12,963	(151,314)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Sources	235,694	-	235,694
Net Cash Provided by Noncapital Financing Activities	235,694	-	235,694
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(2,666)	-	(2,666)
Net Cash Used For Capital and Related Financing Activities	(2,666)	-	(2,666)
Net Increase in Cash and Cash Equivalents	68,751	12,963	81,714
Cash and Cash Equivalents, Beginning of Year	129,534	107,038	236,572
Cash and Cash Equivalents, End of Year	\$ 198,285	\$ 120,001	\$ 318,286
Reconciliation of Operating Income (Loss) to Net Cash Provided/ (Used) by Operating Activities			
Operating Income/ (Loss)	\$ (226,172)	\$ (16,269)	\$ (242,441)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Depreciation	15,032		15,032
Food Distribution (USDA Commodities) National School Lunch	54,328		54,328
Change in Assets, Liabilities and Deferred Inflows of Resources			
Increase/(Decrease) in Accounts Payable	(180)	15,003	14,823
(Increase)/Decrease in Accounts Receivable	(4,707)	5,739	1,032
Increase/(Decrease) in Unearned Revenue	(1,058)	8,490	7,432
Increase/(Decrease) in Deferred Commodities Revenue	(1,617)		(1,617)
(Increase)/Decrease in Inventories	97	-	97
Total Adjustments	61,895	29,232	91,127
Net Cash Provided/(Used) by Operating Activities	\$ (164,277)	\$ 12,963	\$ (151,314)
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	\$ 54,328		

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WALL TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2019**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose <u>Scholarships Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 284,194	\$ 45,533	\$ 316,820
Total Assets	<u>284,194</u>	<u>45,533</u>	<u>\$ 316,820</u>
LIABILITIES			
Intergovernmental Payable	15,565		
Payroll Deductions and Withholdings			\$ 29,816
Flexible Spending (Sect. 125) Plan			18,184
Due to Student Groups	<u>-</u>	<u>-</u>	<u>268,820</u>
Total Liabilities	<u>15,565</u>	<u>-</u>	<u>\$ 316,820</u>
NET POSITION			
Held in Trust for Unemployment Claims	<u>\$ 268,629</u>		
Restricted for Scholarships		<u>\$ 45,533</u>	

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**WALL TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Unemployment Compensation <u>Trust Fund</u>	Private Purpose Scholarships <u>Fund</u>
ADDITIONS		
Contributions		
Donations		\$ 6,000
Employee Contributions	\$ 77,185	-
Total Contributions	<u>77,185</u>	<u>6,000</u>
Investment Earnings		
Interest	<u>1,472</u>	<u>89</u>
Net Investment Earnings	<u>1,472</u>	<u>89</u>
Total Additions	<u>78,657</u>	<u>6,089</u>
DEDUCTIONS		
Unemployment Claims and Contributions	51,387	
Scholarships Awarded	<u>-</u>	<u>6,024</u>
Total Deductions	<u>51,387</u>	<u>6,024</u>
Change in Net Position	27,270	65
Net Position, Beginning of Year	<u>241,359</u>	<u>45,468</u>
Net Position, End of Year	<u>\$ 268,629</u>	<u>\$ 45,533</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

NOTES TO THE FINANCIAL STATEMENTS

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Wall Township Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Wall Township Board of Education this includes general operations, food service, before and after school program and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2019, the District adopted the following GASB statement:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and the food service enterprise fund to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The District reports the following non-major proprietary fund which is organized to be self-supporting through user charges:

The *before and after school programs fund* accounts for the activities of the 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.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

Additionally, the government reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which 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.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables*

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. *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.

5. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

Improvements Other Than Buildings	15-20
Buildings	40
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	6-10
Computer Equipment	5

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

7. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Pensions*

In the district-wide financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

9. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

10. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3B).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 3C).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes

Emergency Reserve – This restriction was created in accordance with NJAC 6A:23A-14.4(A)1 to accumulate funds in accordance with State statute to finance unanticipated general fund expenditures required for a thorough and efficient education. (See Note 3D).

Emergency Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2019/2020 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

11. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 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, unrestricted state aid, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. Proprietary Funds, Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the before and after school program enterprise fund, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the district-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.” The details of this \$40,279,286 difference are as follows:

Bonds Payable	\$ (13,005,000)
Add: Issuance of Premium (to be amortized over life of debt)	(923,643)
Capital Leases	(1,100,329)
Compensated Absences	(1,758,790)
Net Pension Liability	<u>(23,491,524)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities	<u>\$ (40,279,286)</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$1,730,816 difference are as follows:

Debt issued or incurred:	
Capital Lease	\$ (935,000)
Principal repayments:	
General Obligation Bonds	2,415,000
Payment on Capital Leases	<u>250,816</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 1,730,816</u>

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 17, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$1,135,547. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 6,882,795
Increased by:		
Deposits Approved in District Budget	\$ 856,500	
Deposits Approved by Board Resolution	<u>1,085,509</u>	
		<u>1,942,009</u>
		8,824,804
Decreased by:		
Withdrawals Approved in District Budget		<u>3,100,000</u>
Balance, June 30, 2019		<u>\$ 5,724,804</u>
Designated in 2019/2020 Budget	\$ 3,457,000	
Available Capital Reserve	<u>2,267,804</u>	
		<u>\$ 5,724,804</u>

The withdrawals from the capital reserve were for use in department approved facilities projects, consistent with the district's Long Range Facilities Plan. \$3,457,000 of the capital reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. 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 are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve 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 fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018		\$ 800,000
Increased by:		
Deposits Approved in District Budget	\$ 440,944	
Deposits Approved by Board Resolution	<u>290,155</u>	
		<u>731,099</u>
		1,531,099
Decreased by:		
Withdrawals Approved in District Budget		<u>500,000</u>
Balance, June 30, 2019		<u>\$ 1,031,099</u>
Designated in 2019/2020 Budget	\$ 500,000	
Available Maintenance Reserve	<u>531,099</u>	
		<u>\$ 1,031,099</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,975,487. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$500,000 of the maintenance reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Emergency Reserve

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

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency reserve 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 695,000
Increased by:	
Deposits Approved by Board Resolution	<u>584,000</u>
Balance, June 30, 2019	<u>\$ 1,279,000</u>
Designated in 2019/2020 Budget	\$ 695,000
Available Maintenance Reserve	<u>584,000</u>
	<u>\$ 1,279,000</u>

\$695,000 of the emergency reserve balance at June 30, 2019 was designated and appropriated for use in the 2019/2020 original budget certified for taxes.

NOTE 4 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2019, the book value of the Board's deposits were \$14,664,057 and bank and brokerage firm balances of the Board's deposits amounted to \$18,228,588. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" and "cash held with fiscal agents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured:	
Cash and Cash Equivalents	\$ 15,771,329
Uninsured and Collateralized	
Cash Held with Fiscal Agent	<u>2,457,259</u>
	<u>\$ 18,228,588</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2019 the Board's bank balance of \$2,457,259 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department or agent not in the Board's name - Working Capital - Health Insurance Agreement	\$ 1,927,246
Collateral held by pledging financial institutions trust department or agent not in the Board's name - Lease Purchase Agreement	<u>530,013</u>
	<u>\$ 2,457,259</u>

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2019, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

B. Receivables

Receivables as of June 30, 2019 for the district’s individual major funds and nonmajor in the aggregate, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Non-Major Before and After School Program</u>	<u>Total</u>
Receivables:						
Accounts	\$ 162,201	\$ 27,549		\$ 4,707	\$ 1,142	\$ 195,599
Intergovernmental-						
Federal		364,328		14,071		378,399
State	<u>170,851</u>	<u>30,477</u>	<u>\$ 956,520</u>	<u>556</u>	<u>-</u>	<u>1,158,404</u>
Total Receivables	<u>\$ 333,052</u>	<u>\$ 422,354</u>	<u>\$ 956,520</u>	<u>\$ 19,334</u>	<u>\$ 1,142</u>	<u>\$ 1,732,402</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

General Fund	
Facilities Rental Fees	\$ 1,850
Tuition	26,446
Special Revenue Fund	
Unencumbered Grant Draw Downs	3,341
Grant Draw Downs Reserved for Encumbrances	127,270
Capital Projects Fund	
Unrealized School Facilities Grants	<u>19,130</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 178,037</u>

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance, July 1, 2018	Increases	Decreases	Transfers	Balance, June 30, 2019
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 534,652				\$ 534,652
Construction in Progress	20,691	\$ 405,323	-	\$ (20,691)	405,323
Total Capital Assets, Not Being Depreciated	555,343	405,323	-	(20,691)	939,975
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	52,920,044	752,400		20,691	53,693,135
Improvements Other Than Buildings	2,280,531				2,280,531
Machinery and Equipment	10,148,613	528,709	\$ (451,407)	-	10,225,915
Total Capital Assets Being Depreciated	65,349,188	1,281,109	(451,407)	20,691	66,199,581
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(19,884,032)	(1,197,524)			(21,081,556)
Improvements Other Than Buildings	(1,870,867)	(80,213)			(1,951,080)
Machinery and Equipment	(6,576,183)	(963,939)	451,407	-	(7,088,715)
Total Accumulated Depreciation	(28,331,082)	(2,241,676)	451,407	-	(30,121,351)
Total Capital Assets, Being Depreciated, Net	37,018,106	(960,567)	-	20,691	36,078,230
Governmental Activities Capital Assets, Net	\$ 37,573,449	\$ (555,244)	\$ -	\$ -	\$ 37,018,205

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2019</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 591,061	\$ 2,666	-	\$ 593,727
Total Capital Assets Being Depreciated	<u>591,061</u>	<u>2,666</u>	<u>-</u>	<u>593,727</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(496,685)</u>	<u>(15,032)</u>	<u>-</u>	<u>(511,717)</u>
Total Accumulated Depreciation	<u>(496,685)</u>	<u>(15,032)</u>	<u>-</u>	<u>(511,717)</u>
Total Capital Assets, Being Depreciated, Net	<u>94,376</u>	<u>(12,366)</u>	<u>-</u>	<u>82,010</u>
Business-Type Activities Capital Assets, Net	<u>\$ 94,376</u>	<u>\$ (12,366)</u>	<u>\$ -</u>	<u>\$ 82,010</u>

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

Governmental Activities:	
Regular Instruction	\$ 44,834
Total Instruction	<u>44,834</u>
Support Services	
Student & Instruction Related Services	224,168
General Administrative Services	1,614,006
Operations and Maintenance of Plant	22,417
Pupil Transportation	<u>336,251</u>
Total Support Services	<u>2,196,842</u>
Total Governmental Funds	<u>2,241,676</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,241,676</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 15,032</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 15,032</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2019:

<u>Project</u>	<u>Remaining Commitment</u>
<u>General Fund</u>	
HVAC Improvements at District Schools	\$ 984,243
<u>Capital Projects Fund</u>	
Phone System and Public Address System Replacement (All Schools)	<u>47,826</u>
Total	<u>\$ 1,032,069</u>

The District has other significant commitments at June 30, 2019, as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
<u>General Fund</u>	
Acquisition of School Buses (Lease Purchase Agreement)	<u>\$ 630,000</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 175,861
General Fund	Capital Projects Fund	<u>686,188</u>
		<u>\$ 862,049</u>

The above balances are to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing buses and equipment totaling \$1,777,364 under capital leases. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	<u>\$ 1,777,364</u>

The unexpended proceeds from capital leases in the amount of \$530,013 at June 30, 2019 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 330,978
2021	261,020
2022	261,020
2023	198,201
2024	<u>111,821</u>
Total minimum lease payments	1,163,040
Less: amount representing interest	<u>(62,711)</u>
Present value of minimum lease payments	<u>\$ 1,100,329</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2019 are comprised of the following issues:

\$3,790,000, 2012 Pension Refunding Bonds, due in annual installments of \$85,000 to \$430,000 through July 15, 2027, interest at 4.202%	\$ 1,530,000
\$17,515,000, 2015 School Refunding Bonds, due in annual installments of \$2,115,000 to \$2,410,000 through July 15, 2023, interest at 4.00-5.00%	<u>11,475,000</u>
	<u>\$ 13,005,000</u>

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
<u>June 30,</u>			
2020	\$ 2,525,000	\$ 565,977	\$ 3,090,977
2021	2,660,000	450,278	3,110,278
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
2025-2028	<u>420,000</u>	<u>35,927</u>	<u>455,927</u>
Total	<u>\$ 13,005,000</u>	<u>\$ 1,660,315</u>	<u>\$ 14,665,315</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 244,761,800
Less: Net Debt	<u>13,005,000</u>
Remaining Borrowing Power	<u>\$ 231,756,800</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2019, was as follows:

	Balance, <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2019</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 15,420,000		\$ (2,415,000)	\$ 13,005,000	\$ 2,525,000
Add:					
Unamortized Premium	<u>1,250,283</u>	<u>-</u>	<u>(326,640)</u>	<u>923,643</u>	<u>-</u>
Bonds Payable, Net	16,670,283		(2,741,640)	13,928,643	2,525,000
Capital Leases	416,145	\$ 935,000	(250,816)	1,100,329	313,190
Compensated Absences	1,681,843	130,282	(53,335)	1,758,790	
Net Pension Liability	<u>28,675,613</u>	<u>-</u>	<u>(5,184,089)</u>	<u>23,491,524</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 47,443,884</u>	<u>\$ 1,065,282</u>	<u>\$ (8,229,880)</u>	<u>\$ 40,279,286</u>	<u>\$ 2,838,190</u>

For the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

NOTE 5 OTHER INFORMATION

A. Risk Management

The 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 District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The 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 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, 2019, 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 \$1,927,246 reported at June 30, 2019 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.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

Changes in the balances of claims liabilities for the health insurance plan for the fiscal years ended June 30, 2019 and 2018 are as follows:

Governmental Activities:	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>
Unpaid Claims, Beginning of Year	\$ 1,752,034	\$ 1,737,880
Incurring claims (including IBNR's)	9,980,984	9,106,285
Claim payments	<u>9,805,772</u>	<u>9,092,131</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 1,927,246</u>	<u>\$ 1,752,034</u>
General Fund		
Other Current Liabilities	<u>\$ 1,927,246</u>	<u>\$ 1,752,034</u>
	<u>\$ 1,927,246</u>	<u>\$ 1,752,034</u>

The 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
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	Employee <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2019	\$ 77,185	\$ 51,387	\$ 268,629
2018	77,161	96,515	241,359
2017	50,064	33,440	260,713

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2019, the District has not estimated its arbitrage earnings due to the IRS, if any.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers’ Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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 represent the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2019.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 1,186,748	\$ 5,713,378	\$ 44,991
2018	1,141,182	4,400,607	43,363
2017	1,121,683	3,331,255	44,000

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$7,055, \$21,254 and \$8,800, respectively for PERS and the State contributed \$7,184, \$8,687 and \$10,957, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,267,651 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$23,491,524 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was 0.11931 percent, which was a decrease of 0.00387 percent from its proportionate share measured as of June 30, 2017 of 0.12318 percent.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,493,191 for PERS. The pension contribution made by the District during the current 2018/2019 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 447,987	\$ 121,130
Changes of Assumptions	3,871,014	7,511,340
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		220,351
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,023,946</u>	<u>1,158,391</u>
Total	<u>\$ 5,342,947</u>	<u>\$ 9,011,212</u>

At June 30, 2019, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2019	\$ 383,018
2020	(98,921)
2021	(1,752,424)
2022	(1,653,030)
2023	<u>(546,908)</u>
	<u>\$ (3,668,265)</u>

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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. For the fiscal year ended June 30, 2018, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,819,870 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State's proportionate share of the net pension liability attributable to the District is \$185,600,663. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was 0.29174 percent, which was a decrease of 0.00442 percent from its proportionate share measured as of June 30, 2017 of 0.29616 percent.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

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

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2018 are summarized in the following table:

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

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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.

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.86%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 220,499,410</u>	<u>\$ 185,600,663</u>	<u>\$ 156,850,924</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
 Total	 <u>362,181</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$2,591,579, \$2,842,258 and \$2,775,694, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2017 through June 30, 2018. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$7,122,538. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$150,728,943. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was 0.33 percent, which was an increase of 0.01 percent from its proportionate share measured as of June 30, 2017 of 0.32 percent.

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

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

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

The discount rate 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.

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>174,013,289</u>
Changes Recognized for the Fiscal Year:	
Service Cost	6,532,628
Interest on the Total OPEB Liability	6,394,505
Differences Between Expected and Actual Experiences	(15,023,438)
Changes of Assumptions	(17,296,901)
Gross Benefit Payments	(4,030,438)
Contributions from the Member	139,298
Net Changes	\$ <u>(23,284,346)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>150,728,943</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2018. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 was not provided by the pension system.

**WALL TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.87%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 178,192,294</u>	<u>\$ 150,728,943</u>	<u>\$ 128,898,415</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 124,586,250</u>	<u>\$ 150,728,943</u>	<u>\$ 185,303,655</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 OTHER INFORMATION (Continued)

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), 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 school tax revenue 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.

For the year ended December 31, 2018, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law").

- The Long Term Tax Exemption Law (NJSA 40A:20 et. seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) to the municipality in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the year ended December 31, 2018 the Borough abated property taxes totaling \$354,319 under the LTTE program of which \$211,200 represents the District's share.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 65,330,577		\$ 65,330,577	\$ 65,330,579	\$ 2
Tuition from Other LEAs	450,000		450,000	702,915	252,915
Tuition from Individuals	50,000		50,000	97,672	47,672
Preschool Tuition (Spec Ed)	30,000		30,000	78,753	48,753
Transportation Fees	-		-	4,419	4,419
Rental Fees	140,000		140,000	120,333	(19,667)
Interest Earned	-		-	88,398	88,398
Miscellaneous	77,480	-	77,480	150,657	73,177
Total Local Sources	66,078,057	-	66,078,057	66,573,726	495,669
State Sources					
Special Education Categorical Aid	2,484,152		2,484,152	2,484,152	-
Security Aid	341,937		341,937	341,937	-
Transportation Aid	1,204,850		1,204,850	1,204,850	-
Extraordinary Aid	150,000		150,000	453,521	303,521
Extraordinary Aid - FY 2018				1,178	1,178
Additional NonPublic Transportation Aid	15,061		15,061	58,892	43,831
On-behalf TPAF Pension System Contributions- Normal Cost and Accrued Liabilities (Non-Budget)				5,596,234	5,596,234
On-behalf TPAF Pension System Contributions- Noncontributory Insurance (Non-Budget)				117,144	117,144
On Behalf TPAF Pension System Contribution Long Term Group Disability				7,184	7,184
On-behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budget)				2,591,579	2,591,579
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	2,267,651	2,267,651
Total State Sources	4,196,000	-	4,196,000	15,124,322	10,928,322
Federal Sources					
Medical Assistance Program	47,943	-	47,943	42,136	(5,807)
Total Federal Sources	47,943	-	47,943	42,136	(5,807)
Total Revenues	70,322,000	-	70,322,000	81,740,184	11,418,184
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	810,950	-	810,950	810,950	-
Grades 1-5	6,460,629	\$ (202,603)	6,258,026	6,245,059	12,967
Grades 6-8	4,611,524	(141,600)	4,469,924	4,466,934	2,990
Grades 9-12	6,916,485	(74,744)	6,841,741	6,839,375	2,366
Regular Programs - Home Instruction					
Salaries of Teachers	147,400	(22,992)	124,408	124,408	-
Purchased Professional-Educational Services	30,000	12,500	42,500	36,154	6,346
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	60,199	(17,143)	43,056	43,055	1
Purchased Professional-Educational Services	158,000	(3,000)	155,000	129,441	25,559
Other Purchased Services	116,900	-	116,900	97,384	19,516
General Supplies	1,317,024	46,652	1,363,676	1,300,163	63,513
Textbooks	99,100	(15,256)	83,844	79,775	4,069
Other Objects	2,200	-	2,200	2,000	200
Total Regular Programs	20,730,411	(418,186)	20,312,225	20,174,698	137,527
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	273,000	17,795	290,795	290,612	183
Other Salaries for Instruction	191,559	(75,661)	115,898	114,918	980
General Supplies	40,000	(5,751)	34,249	34,048	201
Total Learning and/or Language Disabilities	504,559	(63,617)	440,942	439,578	1,364

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 122,150	-	\$ 122,150	\$ 122,150	
Other Salaries for Instruction	74,750	\$ 4,118	78,868	78,816	\$ 52
General Supplies	13,000	(350)	12,650	12,599	51
Total Behavioral Disabilities	209,900	3,768	213,668	213,565	103
Multiple Disabilities					
Salaries of Teachers	391,960	3,305	395,265	395,265	-
Other Salaries for Instruction	255,925	(118,605)	137,320	132,913	4,407
General Supplies	24,000	(7,000)	17,000	16,732	268
Total Multiple Disabilities	671,885	(122,300)	549,585	544,910	4,675
Resource Room/ Resource Center					
Salaries of Teachers	5,472,746	58,165	5,530,911	5,516,457	14,454
Other Salaries for Instruction	699,896	(45,816)	654,080	645,045	9,035
General Supplies	21,600	(2,000)	19,600	18,375	1,225
Total Resource Room/ Resource Center	6,194,242	10,349	6,204,591	6,179,877	24,714
Preschool Disabilities - Part - Time					
Salaries of Teachers	243,920	(7,188)	236,732	236,732	-
Other Salaries for Instruction	127,841	11,183	139,024	137,655	1,369
General Supplies	3,375	-	3,375	2,442	933
Total Preschool Disabilities - Part - Time	375,136	3,995	379,131	376,829	2,302
Total Special Education	7,955,722	(167,805)	7,787,917	7,754,759	33,158
Basic Skills/Remedial					
Salaries of Teachers	673,040	45,694	718,734	718,734	-
Total Basic Skills/Remedial	673,040	45,694	718,734	718,734	-
Bilingual Education					
Salaries of Teachers	191,170	44,852	236,022	236,022	-
General Supplies	2,000	-	2,000	-	2,000
Total Bilingual Education	193,170	44,852	238,022	236,022	2,000
School Sponsored Co-Curricular Activities					
Salaries	282,880	23,806	306,686	306,686	-
Total School Sponsored Co-Curricular Activities	282,880	23,806	306,686	306,686	-
School Sponsored Athletics - Instruction					
Salaries	647,494	(2,086)	645,408	640,872	4,536
Purchased Services	177,246	(1,878)	175,368	172,731	2,637
Supplies and Materials	98,730	(6,330)	92,400	87,610	4,790
Total School Sponsored Athletics - Instruction	923,470	(10,294)	913,176	901,213	11,963
Total - Instruction	30,758,693	(481,933)	30,276,760	30,092,112	184,648

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular	-	\$ 7,680	\$ 7,680	\$ 6,835	\$ 845
Tuition - Other LEA's Within State - Special	\$ 47,883	-	47,883	47,883	47,883
Tuition to County Voc. School Dist.-Regular	543,020	(33,660)	509,360	483,603	25,757
Tuition to County Voc. School Dist.-Special	115,000	33,660	148,660	136,603	12,057
Tuition to CSSD & Regional Day Schools	376,275	17,707	393,982	362,340	31,642
Tuition to Private Schools - Disabled Within State	1,608,776	(25,387)	1,583,389	1,337,490	245,899
Tuition - Other	7,980	(6,829)	1,151	-	1,151
Total Undistributed Expenditures - Instruction	<u>2,698,934</u>	<u>(6,829)</u>	<u>2,692,105</u>	<u>2,326,871</u>	<u>365,234</u>
Attendance and Social Work Services					
Salaries	34,275	-	34,275	34,275	-
Salaries of Family Liaisons/Comm Parent Inv. Spec.	665,000	(57,000)	608,000	608,000	-
Total Attendance and Social Work Services	<u>699,275</u>	<u>(57,000)</u>	<u>642,275</u>	<u>642,275</u>	<u>-</u>
Health Services					
Salaries	489,455	1,610	491,065	490,593	472
Purchased Professional and Technical Services	12,500	2,500	15,000	13,981	1,019
Other Purchased Services	5,000	12,450	17,450	16,000	1,450
Supplies and Materials	28,000	-	28,000	27,305	695
Total Health Services	<u>534,955</u>	<u>16,560</u>	<u>551,515</u>	<u>547,879</u>	<u>3,636</u>
Speech, OT, PT & Related Services					
Salaries	829,060	140	829,200	829,200	-
Purchased Professional - Educational Services	229,645	(26,121)	203,524	198,378	5,146
Travel	-	1,200	1,200	883	317
Supplies and Materials	3,375	-	3,375	2,758	617
Total Speech, OT, PT & Related Services	<u>1,062,080</u>	<u>(24,781)</u>	<u>1,037,299</u>	<u>1,031,219</u>	<u>6,080</u>
Other Support Services-Students-Extra Serv.					
Salaries	904,771	102,411	1,007,182	1,007,182	-
Purchased Professional-Educational Services	150,000	17,475	167,475	160,022	7,453
Supplies and Materials	15,000	(500)	14,500	5,245	9,255
Other Objects	8,000	9,800	17,800	8,526	9,274
Total Other Support Services-Students-Extra Serv.	<u>1,077,771</u>	<u>129,186</u>	<u>1,206,957</u>	<u>1,180,975</u>	<u>25,982</u>
Guidance					
Salaries of Other Professional Staff	703,272	(520)	702,752	702,752	-
Salaries of Secretarial and Clerical Assistants	230,520	(19,202)	211,318	211,318	-
Supplies and Materials	22,490	-	22,490	12,164	10,326
Total Guidance	<u>956,282</u>	<u>(19,722)</u>	<u>936,560</u>	<u>926,234</u>	<u>10,326</u>
Child Study Teams					
Salaries of Other Professional Staff	1,433,904	244	1,434,148	1,434,148	-
Salaries of Secretarial and Clerical Assistants	188,575	3,186	191,761	191,760	1
Other Purchased Prof. and Tech. Services	87,500	(4,650)	82,850	82,850	-
Misc. Purchased Services	2,700	1,700	4,400	1,428	2,972
Supplies and Materials	30,500	2,300	32,800	32,226	574
Total Child Study Teams	<u>1,743,179</u>	<u>2,780</u>	<u>1,745,959</u>	<u>1,742,412</u>	<u>3,547</u>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	715,030	(16,026)	699,004	699,002	2
Purchased Professional-Educ. Svcs.	3,500	-	3,500	50	3,450
Supplies and Materials	2,625	-	2,625	1,709	916
Other Objects	2,000	2,000	4,000	2,756	1,244
Total Improvement of Instructional Services	<u>723,155</u>	<u>(14,026)</u>	<u>709,129</u>	<u>703,517</u>	<u>5,612</u>
Educational Media Services/School Library					
Salaries	305,533	(8,236)	297,297	297,297	-
Other Purchased Services	12,000	-	12,000	9,146	2,854
Supplies and Materials	66,469	-	66,469	62,321	4,148
Total Educational Media Services/School Library	<u>384,002</u>	<u>(8,236)</u>	<u>375,766</u>	<u>368,764</u>	<u>7,002</u>

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Other Salaries	-	\$ 8,896	\$ 8,896	\$ 5,529	\$ 3,367
Other Purchased Services	\$ 75,500	(17,681)	57,819	36,622	21,197
Supplies and Materials	2,500	-	2,500	2,418	82
Total Instructional Staff Training Services	78,000	(8,785)	69,215	44,569	24,646
Support Services General Administration					
Salaries	417,660	12,762	430,422	430,422	-
Legal Services	125,000	8,673	133,673	133,673	-
Audit Fees	43,000	3,415	46,415	46,415	-
Architectural/Engineering Services	12,000	27,152	39,152	14,970	24,182
Other Purchased Professional Services	54,500	95,600	150,100	74,029	76,071
Communications/Telephone	150,100	(145,600)	4,500	2,190	2,310
BOE Other Purchased Services	4,500	(4,500)	-	-	-
Misc. Purchased Services	76,900	6,441	83,341	80,100	3,241
General Supplies	14,250	(500)	13,750	7,299	6,451
Judgments Against the School District	50,000	15,000	65,000	65,000	-
Miscellaneous Expenditures	5,000	(410)	4,590	4,367	223
BOE Membership Dues and Fees	29,000	-	29,000	28,163	837
Total Support Services General Administration	981,910	18,033	999,943	886,628	113,315
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,612,679	(40,469)	1,572,210	1,572,207	3
Salaries of Other Professional Staff	733,300	(37,109)	696,191	696,190	1
Salaries of Secretarial and Clerical Assistants	650,515	(15,865)	634,650	634,649	1
Other Purchased Services	20,325	3,957	24,282	13,661	10,621
Supplies and Materials	78,900	(3,600)	75,300	60,949	14,351
Other Objects	1,550	2,000	3,550	1,134	2,416
Total Support Services School Administration	3,097,269	(91,086)	3,006,183	2,978,790	27,393
Central Services					
Salaries	540,087	2,270	542,357	542,357	-
Purchased Professional Services	114,600	19,820	134,420	133,741	679
Misc. Purchased Services	31,800	(16,320)	15,480	10,427	5,053
Supplies and Materials	24,000	(200)	23,800	16,168	7,632
Other Objects	1,500	-	1,500	1,356	144
Total Central Services	711,987	5,570	717,557	704,049	13,508
Admin. Info. Tech					
Salaries	377,751	12,812	390,563	390,563	-
Purchased Technical Services	324,100	2,799	326,899	265,777	61,122
Other Purchased Services	4,000	300	4,300	1,261	3,039
Supplies and Materials	12,473	1,030	13,503	11,254	2,249
Total Admin. Info. Tech.	718,324	16,941	735,265	668,855	66,410
Required Maintenance for School Facilities					
Cleaning, Repair & Maintenance Services	335,000	192,021	527,021	378,995	148,026
General Supplies	245,000	(99,215)	145,785	133,937	11,848
Total Required Maintenance for School Facilities	580,000	92,806	672,806	512,932	159,874
Custodial Services					
Salaries	2,723,697	(22,876)	2,700,821	2,660,384	40,437
Salaries of Non-Instructional Aides	491,382	(98,538)	392,844	389,319	3,525
Purchased Professional & Technical Services	16,000	13,000	29,000	23,950	5,050
Cleaning, Repair and Maintenance Services	230,965	26,391	257,356	248,944	8,412
Rental of Land & Buildings Other Than Lease Purch. Agree.	48,500	480	48,980	48,880	100
Other Purchased Property Services	181,600	8,000	189,600	189,188	412
Insurance	540,000	3,650	543,650	543,650	-
Travel	-	1,000	1,000	618	382
Miscellaneous Purchased Services	500	2,000	2,500	810	1,690
General Supplies	227,366	11,385	238,751	213,728	25,023
Energy (Natural Gas)	375,000	40,000	415,000	386,929	28,071
Energy (Electricity)	675,000	(20,000)	655,000	636,021	18,979
Other Objects	3,000	-	3,000	975	2,025
Total Custodial Services	5,513,010	(35,508)	5,477,502	5,343,396	134,106

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	\$ 166,000	\$ (20,400)	\$ 145,600	\$ 145,558	\$ 42
General Supplies	55,000	(11,298)	43,702	43,202	500
Total Care & Upkeep of Grounds	221,000	(31,698)	189,302	188,760	542
Security					
Salaries	451,185	147,911	599,096	599,096	-
Purchased Professional and Technical Services	90,500	(12,080)	78,420	78,147	273
Cleaning, Repair and Maintenance Services	21,224	(21,200)	24	24	-
General Supplies	7,500	900	8,400	8,316	84
Total Security	570,409	115,531	685,940	685,559	381
Student Transportation Services					
Salaries of Non-Instructional Aides	265,586	(50,618)	214,968	214,968	-
Salaries for Pupil Transportation (Between Home and School) - Regular	1,384,342	(59,193)	1,325,149	1,325,149	-
Salaries for Pupil Transportation (Between Home and School) - Special Ed	552,192	(43,752)	508,440	508,440	-
Salaries for Pupil Transportation (Other Than Between Home & School)	65,000	-	65,000	64,786	214
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	57,320	(3,891)	53,429	53,429	-
Other Purchased Prof. and Technical Services	50,500	25,000	75,500	44,314	31,186
Cleaning, Repair & Maintenance Svc	120,519	(51,700)	68,819	68,696	123
Lease Purchase Payments- School Buses	249,500	(1,800)	247,700	247,693	7
Contracted Services (Other Than Between Home and School) - Vendors	20,000	(14,000)	6,000	5,960	40
Contracted Services (Special Ed Students) - Vendors	14,156	-	14,156	13,482	674
Contracted Services (Special Ed Students)- Joint Agreements	53,940	20,567	74,507	74,507	-
Contracted Services (Reg. Students)-ESCs & CTSA's	684,533	(88,012)	596,521	596,521	-
Contracted Services (Spl. Ed. Students)-ESCs & CTSA's	752,070	129,186	881,256	881,256	-
Contracted Services - Aid in Lieu of Payments- NonPublic	70,000	(10,400)	59,600	59,570	30
Miscellaneous Purchased Services- Transportation	61,000	-	61,000	60,752	248
General Supplies	7,500	500	8,000	7,906	94
Transportation Supplies	325,542	55,720	381,262	375,952	5,310
Other Objects	1,500	(1,300)	200	200	-
Total Student Transportation Services	4,735,200	(93,693)	4,641,507	4,603,581	37,926
Unallocated Benefits					
Group Insurance	17,000	(2,745)	14,255	14,255	-
Social Security Contributions	1,090,000	(72,008)	1,017,992	1,017,992	-
Other Retirement Contributions - PERS	1,212,000	(65,596)	1,146,404	1,146,404	-
Other Retirement Contributions-Regular	49,000	(4,009)	44,991	44,991	-
Workmen's Compensation	600,000	(50,917)	549,083	549,083	-
Health Benefits	9,591,130	742,720	10,333,850	9,749,396	584,454
Tuition Reimbursement	51,000	(26,930)	24,070	24,070	-
Other Employee Benefits	364,345	57,760	422,105	422,105	-
Unused Sick Payment to Terminated/Retired Staff	39,310	14,025	53,335	53,335	-
Total Unallocated Benefits	13,013,785	592,300	13,606,085	13,021,631	584,454

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
CURRENT EXPENDITURES (Continued)					
On Behalf TPAF Pension System Contribution Noncontributory Insurance (Non Budgeted)				\$ 117,144	\$ (117,144)
On Behalf TPAF Pension System Contribution Long Term Group Disability				7,184	(7,184)
On Behalf TPAF Pension System Contribution-Normal Cost and Accrued Liabilities				5,596,234	(5,596,234)
On Behalf TPAF Pension System Contribution Post- Retirement Medical -(Non Budgeted)				2,591,579	(2,591,579)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,267,651	(2,267,651)
Total On-Behalf Contributions	-	-	-	10,579,792	(10,579,792)
Total Undistributed Expenditures	\$ 40,100,527	\$ 598,343	\$ 40,698,870	49,688,688	(8,989,818)
Total Expenditures - Current Expenditures	70,859,220	116,410	70,975,630	79,780,800	(8,805,170)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction					
Grades 1-5		5,634	5,634	-	5,634
Grades 9-12		37,722	37,722	37,721	1
Undistributed Expenditures					
School-Sponsored and Other Instructional Programs		12,575	12,575	12,575	-
Central Services		4,185	4,185	4,185	-
Non- Instructional	305,000	(60,610)	244,390	72,983	171,407
Total Equipment	305,000	(494)	304,506	127,464	177,042
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	220,000	190,155	410,155	174,521	235,634
Construction Services	2,880,000	221,976	3,101,976	982,552	2,119,424
Assessment for Debt Service on SDA Funding	7,780	-	7,780	7,780	-
Total Facilities Acquisition and Construction Services	3,107,780	412,131	3,519,911	1,164,853	2,355,058
Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	-	405,000	(405,000)
Total Capital Outlay	3,412,780	411,637	3,824,417	1,697,317	2,127,100
Total Expenditures	74,272,000	528,047	74,800,047	81,478,117	(6,678,070)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,950,000)	(528,047)	(4,478,047)	262,067	4,740,114
Other Financing Sources (Uses)					
Capital Leases (Non-Budget)	-	-	-	935,000	935,000
Total Other Financing Sources	-	-	-	935,000	935,000
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,950,000)	(528,047)	(4,478,047)	1,197,067	5,675,114
Fund Balances, Beginning of Year	10,772,055	-	10,772,055	10,772,055	-
Fund Balances, End of Year	\$ 6,822,055	\$ (528,047)	\$ 6,294,008	\$ 11,969,122	\$ 5,675,114
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 2,267,804	
Maintenance Reserve				531,099	
Emergency Reserve				584,000	
Designated for Subsequent Year's Expenditures - 2019/2020 Budget					
Capital Reserve				3,457,000	
Maintenance Reserve				500,000	
Emergency Reserve				695,000	
Committed Fund Balance					
Year End Encumbrances				1,679,277	
Assigned Fund Balance					
Year End Encumbrances				230,578	
Designated for Subsequent Year's Expenditures - 2019/2020 Budget				579,705	
Unassigned Fund Balance				1,444,659	
				11,969,122	
Reconciliation to Governmental Funds Statements (GAAP)					
2018/2019 State Aid Payments Not Recognized on GAAP Basis				(390,639)	
2018/2019 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(453,521)	
Fund Balance Per Governmental Funds (GAAP)				\$ 11,124,962	

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 70,000	\$ 39,801	\$ 109,801	\$ 70,065	\$ (39,736)
Federal	1,060,000	512,809	1,572,809	1,418,154	(154,655)
Local Sources					
Miscellaneous	-	54,890	54,890	49,783	(5,107)
Total Revenues	<u>1,130,000</u>	<u>607,500</u>	<u>1,737,500</u>	<u>1,538,002</u>	<u>(199,498)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	125,000	53,033	178,033	134,709	43,324
Tuition - Other Purchased Services	810,000	(26,056)	783,944	783,944	-
General Supplies	16,000	139,510	155,510	144,965	10,545
Other Objects	-	39,968	39,968	38,209	1,759
Total Instruction	<u>951,000</u>	<u>206,455</u>	<u>1,157,455</u>	<u>1,101,827</u>	<u>55,628</u>
Support Services					
Salaries of Teachers	125,000	11,478	136,478	120,997	15,481
Personal Services-Employee Benefits		23,654	23,654	14,949	8,705
Purchased Professional/Technical Svc	49,000	217,203	266,203	158,274	107,929
Other Purchased Services	5,000	24,536	29,536	24,740	4,796
Supplies and Materials	-	24,174	24,174	17,215	6,959
Total Support Services	<u>179,000</u>	<u>301,045</u>	<u>480,045</u>	<u>336,175</u>	<u>143,870</u>
Facilities Acquisition and Construction Services					
Non-Instructional Equipment	-	100,000	100,000	100,000	-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>1,130,000</u>	<u>607,500</u>	<u>1,737,500</u>	<u>1,538,002</u>	<u>199,498</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of 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 following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 81,740,184	(C-2) \$ 1,538,002
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2018		22,890
Encumbrances, June 30, 2019		(127,270)
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2017/2018 State Aid)	661,985	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2018/2019 State Aid)	<u>(844,160)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) <u>\$ 81,558,009</u>	<u>\$ 1,433,622</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 81,478,117	(C-2) \$ 1,538,002
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2018		22,890
Encumbrances, June 30, 2019	<u>-</u>	<u>(127,270)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) <u>\$ 81,478,117</u>	<u>\$ 1,433,622</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**PENSION INFORMATION
AND
POST-EMPLOYMENT BENEFITS INFORMATION**

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.11931%	0.12318%	0.12626%	0.11787%	0.11812%	0.11213%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 23,491,524</u>	<u>\$ 28,675,613</u>	<u>\$ 37,394,830</u>	<u>\$ 26,461,623</u>	<u>\$22,114,767</u>	<u>\$ 21,430,356</u>
District's Covered Payroll	\$ 8,153,611	\$ 8,226,051	\$ 8,549,704	\$ 8,383,906	\$ 8,019,520	\$ 8,070,828
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	288%	349%	437%	316%	276%	266%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,186,748	\$ 1,141,182	\$ 1,121,683	\$ 1,013,449	\$ 973,741	\$ 845,865
Contributions in Relation to the Contractually Required Contribution	<u>1,186,748</u>	<u>1,141,182</u>	<u>1,121,683</u>	<u>1,013,449</u>	<u>973,741</u>	<u>845,865</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 8,467,052	\$ 8,153,611	\$ 8,226,051	\$ 8,549,704	\$ 8,383,906	\$ 8,019,520
Contributions as a Percentage of Covered Payroll	14%	14%	14%	12%	12%	11%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 185,600,663</u>	<u>\$ 199,684,015</u>	<u>\$ 222,510,730</u>	<u>\$ 177,241,722</u>	<u>\$ 141,063,164</u>	<u>\$ 137,997,158</u>
Total	<u>\$ 185,600,663</u>	<u>\$ 199,684,015</u>	<u>\$ 222,510,730</u>	<u>\$ 177,241,722</u>	<u>\$ 141,063,164</u>	<u>\$ 137,997,158</u>
District's Covered Payroll	\$ 30,807,887	\$ 29,422,617	\$ 29,685,953	\$ 29,563,236	\$ 28,637,933	\$ 27,789,670
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5D.

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 6,532,628	\$ 7,828,298
Interest on Total OPEB Liability	6,394,505	5,525,917
Difference Between Expected and Actual Experiences	(15,023,438)	-
Changes of Assumptions	(17,296,901)	(22,989,673)
Gross Benefit Payments	(4,030,438)	(4,565,617)
Contribution from the Member	<u>139,298</u>	<u>168,117</u>
Net Change in Total OPEB Liability	(23,284,346)	(14,032,958)
Total OPEB Liability - Beginning	<u>174,013,289</u>	<u>188,046,247</u>
Total OPEB Liability - Ending	<u>\$ 150,728,943</u>	<u>\$ 174,013,289</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>150,728,943</u>	<u>174,013,289</u>
Total OPEB Liability - Ending	<u>\$ 150,728,943</u>	<u>\$ 174,013,289</u>
District's Covered Payroll	<u>\$ 38,961,498</u>	<u>\$ 37,648,668</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**WALL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 5.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

GENERAL FUND

NOT APPLICABLE

SPECIAL REVENUE FUND

WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>Title IV</u>	<u>IDEA Part B-Basic</u>	<u>IDEA Part B Preschool</u>	<u>National Clean Diesel Rebate Program</u>	<u>Total Exhibit E-1a</u>	<u>Totals</u>
REVENUES										
Intergovernmental										
State									\$ 70,065	\$ 70,065
Federal	\$ 304,113	\$ 42,191	\$ 31,355	\$ 1,326	\$ 22,158	\$ 837,141	\$ 79,870	\$ 100,000		1,418,154
Other	-	-	-	-	-	-	-	-	49,783	49,783
Total Revenues	\$ 304,113	\$ 42,191	\$ 31,355	\$ 1,326	\$ 22,158	\$ 837,141	\$ 79,870	\$ 100,000	\$ 119,848	\$ 1,538,002
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 118,713	\$ 4,460	\$ 6,945	\$ 1,134					\$ 3,457	\$ 134,709
Tuition - Other Purchased Services						\$ 780,000			3,944	783,944
General Supplies	39,916		20,542		\$ 17,918		\$ 20,354		46,235	144,965
Other Objects	-	-	-	-	4,240	-	-	-	33,969	38,209
Total Instruction	158,629	4,460	27,487	1,134	22,158	780,000	20,354	-	87,605	1,101,827
Support Services										
Salaries of Teachers	120,997								-	120,997
Personal Svcs. -Emp. Benefits	13,990	341	531	87					-	14,949
Purchased Prof & Tech Svcs		32,114	\$ 2,000			45,278	59,516		19,366	158,274
Other Purchased Services		-				11,863			12,877	24,740
Supplies and Materials	10,497	5,276	1,337	105	-	-	-	-	-	17,215
Total Support Services	145,484	37,731	3,868	192	-	57,141	59,516	-	32,243	336,175
Facilities Acquisition and Construction Services										
Non-Instructional Equipment	-	-	-	-	-	-	-	100,000	-	100,000
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-	100,000	-	100,000
Total Expenditures	\$ 304,113	\$ 42,191	\$ 31,355	\$ 1,326	\$ 22,158	\$ 837,141	\$ 79,870	\$ 100,000	\$ 119,848	\$ 1,538,002

WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Exam. & Class.</u>	<u>Chap. 193 Speech</u>	<u>Supp. Instr.</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Textbook Aid</u>	<u>Advanced Computer Science Grant</u>	<u>Chap. 192 Nonpublic Compensatory Education Services</u>	<u>Nonpublic Security</u>	<u>Nonpublic Technology</u>	<u>Local Grants</u>	<u>Total Exhibit E-1a</u>
REVENUES											
Intergovernmental											
State	\$ 447	\$ 1,107	\$ 8,086	\$ 7,699	\$ 4,425	\$ 30,477	\$ 2,027	\$ 12,709	\$ 3,088		\$ 70,065
Other	-	-	-	-	-	-	-	-	-	\$ 49,783	49,783
Total Revenues	\$ 447	\$ 1,107	\$ 8,086	\$ 7,699	\$ 4,425	\$ 30,477	\$ 2,027	\$ 12,709	\$ 3,088	\$ 49,783	\$ 119,848
EXPENDITURES											
Instruction											
Salaries of Teachers						\$ 3,457				\$ 3,944	\$ 3,457
Other Purchased Services										\$ 3,944	3,944
General Supplies					\$ 4,425	17,231		\$ 12,709		11,870	46,235
Other Objects	-	-	-	-	-	-	-	-	-	33,969	33,969
Total Instruction	-	-	-	-	4,425	20,688	-	12,709	-	49,783	87,605
Support Services											
Purchased Prof & Technical Svcs	\$ 447	\$ 1,107	\$ 8,086	\$ 7,699			\$ 2,027				19,366
Other Purchased Services	-	-	-	-	-	9,789	-	-	\$ 3,088	-	12,877
Total Support Services	447	1,107	8,086	7,699	-	9,789	2,027	-	3,088	-	32,243
Total Expenditures	\$ 447	\$ 1,107	\$ 8,086	\$ 7,699	\$ 4,425	\$ 30,477	\$ 2,027	\$ 12,709	\$ 3,088	\$ 49,783	\$ 119,848

**WALL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION PROGRAM AID
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Realized Grants Balances</u>	<u>Adjustments - Cancelled/ Balance June 30, 2019</u>
			<u>Prior Year</u>	<u>Current Year</u>		
2014	HVAC- West Belmar	\$ 144,606	\$ 141,606	\$ -	\$ 10,197	\$ 13,197
2014	Emergency Generators-Various Schools	408,649	386,150		15,648	38,147
2014	Front Entrance Modification-Various Schools	434,712	400,335		(12,206)	22,171
2015	Security Upgrades- Various Schools	644,000	631,276		(5,208)	7,516
2015	Roof Replacement- Various Schools	734,000	498,206		(94,318)	141,476
2016	Phone System- Various Schools	458,300	449,134			9,166
2016	Public Address System - Various Schools	<u>1,933,000</u>	<u>1,894,341</u>	<u>-</u>	<u>-</u>	<u>38,659</u>
		<u>\$ 4,757,267</u>	<u>\$ 4,401,048</u>	<u>\$ -</u>	<u>\$ (85,887)</u>	<u>\$ 270,332</u>
	Fund Balance, Budgetary Basis					\$ 270,332
	Less: Unrealized SDA Grants					<u>(19,130)</u>
	Fund Balance, GAAP Basis					<u>\$ 251,202</u>
	<u>Reconciliation of Fund Balance</u>					
	Restricted					
	Year-End Encumbrances					\$ 47,826
	Available for Capital Projects					<u>203,376</u>
	Total Fund Balance- Restricted for Capital Projects					<u>\$ 251,202</u>

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Expenditures and Other Financing Uses	
Expenditures	
SDA Grants Cancelled, Net	\$ <u>85,887</u>
Total Expenditures and Other Financing Uses	<u>85,887</u>
Deficiency of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(85,887)
Fund Balance, Beginning of Year	<u>356,219</u>
Fund Balance, End of Year	<u>\$ 270,332</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Fund Balance per Governmental Funds (Budgetary)	\$ 270,332
Less: Unearned SDA Grant Revenue Not Recognized on GAAP Basis	<u>(19,130)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 251,202</u>

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
HVAC- WEST BELMAR
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grant	\$ 57,842	\$ 10,197	\$ 68,039	\$ 68,039
Local Sources - Transfer from Capital Outlay	<u>86,764</u>	<u>-</u>	<u>86,764</u>	<u>86,764</u>
Total Revenues and Other Financing Sources	<u>144,606</u>	<u>10,197</u>	<u>154,803</u>	<u>154,803</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services				
Construction Services	<u>141,606</u>	<u>-</u>	<u>141,606</u>	<u>154,803</u>
Total Expenditures	<u>141,606</u>	<u>-</u>	<u>141,606</u>	<u>154,803</u>
Excess Revenues Over Expenditures	<u>\$ 3,000</u>	<u>\$ 10,197</u>	<u>\$ 13,197</u>	<u>\$ -</u>
Additional Project Information:				
Project Number		5420-080-14-1006-G04		
FEC Grant Date		1/6/2014		
Bond Authorization Date		N/A		
Proceeds Issued		N/A		
Original Authorized Cost		\$ 234,000		
Revised Authorized Cost		154,803		
Percentage Increase Over Original Authorized Cost		-66%		
Percentage Completion		91%		
Original Target Completion Date		2014/15		

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
EMERGENCY GENERATORS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grants	\$ 163,457	\$ 15,648	\$ 179,105	\$ 179,105
Local Sources - Transfer from Capital Outlay	<u>245,192</u>	<u>-</u>	<u>245,192</u>	<u>245,192</u>
Total Revenues and Other Financing Sources	<u>408,649</u>	<u>15,648</u>	<u>424,297</u>	<u>424,297</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services			-	
Construction Services	<u>386,150</u>	<u>-</u>	<u>386,150</u>	<u>424,297</u>
Total Expenditures	<u>386,150</u>	<u>-</u>	<u>386,150</u>	<u>424,297</u>
Excess Revenues Over Expenditures	<u>\$ 22,499</u>	<u>\$ 15,648</u>	<u>\$ 38,147</u>	<u>\$ -</u>

		<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>
Additional Project Information:			
Project Number	Primary School	5420-078-14-1004-G04 \$ 204,800	\$ 69,929
	Allenwood Elementary School	5420-060-14-1001-G04 204,800	87,813
	Central Elementary School	5420-070-14-1002-G04 204,800	91,813
	Old Mill Elementary School	5420-077-14-1003-G04 204,800	72,929
	West Belmar Elementary School	5420-080-14-1005-G04 204,800	101,813
		<u>\$ 1,024,000</u>	<u>\$ 424,297</u>
FEC Grant Date	1/6/2013		
Bond Authorization Date	N/A		
Proceeds Issued	N/A		
Original Authorized Cost	\$ 1,024,000		
Revised Authorized Cost	424,297		
Percentage Increase Over Original Authorized Cost	-41%		
Percentage Completion	91%		
Original Target Completion Date	2014/15		

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
FRONT DOOR MODIFICATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grants	\$ 173,878	\$ (12,206)	\$ 161,672	\$ 161,672
Local Sources - Transfer from Capital Outlay	<u>260,834</u>	<u>-</u>	<u>260,834</u>	<u>260,834</u>
Total Revenues and Other Financing Sources	<u>434,712</u>	<u>(12,206)</u>	<u>422,506</u>	<u>422,506</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	42,835		42,835	42,835
Construction Services	<u>357,500</u>	<u>-</u>	<u>357,500</u>	<u>379,671</u>
Total Expenditures	<u>400,335</u>	<u>-</u>	<u>400,335</u>	<u>422,506</u>
Excess Revenues Over Expenditures	<u>\$ 34,377</u>	<u>\$ (12,206)</u>	<u>\$ 22,171</u>	<u>\$ -</u>
		<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>	
Additional Project Information:				
Project Number		\$ 94,000	\$ 77,135	
Wall Intermediate School	5420-075-14-1021-G04			
West Belmar Elementary School	5420-080-14-1038-G04	37,500	36,559	
Old Mill Elementary School	5420-077-14-1029-G04	75,000	65,246	
Central Elementary School	5420-070-14-1020-G04	75,000	64,011	
Allenwood Elementary School	5420-060-14-1014-G04	103,750	92,725	
Primary School	5420-078-14-1030-G04	15,000	14,462	
Wall Township High School	5420-050-14-1009-G04	<u>75,000</u>	<u>72,368</u>	
		<u>\$ 475,250</u>	<u>\$ 422,506</u>	
FEC Grant Date	7/10/2014			
Bond Authorization Date	N/A			
Proceeds Issued	N/A			
Original Authorized Cost	\$ 475,250			
Revised Authorized Cost	422,506			
Percentage Increase Over Original Authorized Cost	-89%			
Percentage Completion	95%			
Original Target Completion Date	2014/15			

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
SECURITY UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grants	\$ 257,600	\$ (5,208)	\$ 252,392	\$ 252,392
Local Sources - Transfer from Capital Outlay	<u>386,400</u>	<u>-</u>	<u>386,400</u>	<u>386,400</u>
Total Revenues and Other Financing Sources	<u>644,000</u>	<u>(5,208)</u>	<u>638,792</u>	<u>638,792</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	50,667		50,667	50,667
Construction Services	<u>580,609</u>	<u>-</u>	<u>580,609</u>	<u>588,125</u>
Total Expenditures	<u>631,276</u>	<u>-</u>	<u>631,276</u>	<u>638,792</u>
Excess/(Deficiency) Revenues Over Expenditures	<u>\$ 12,724</u>	<u>\$ (5,208)</u>	<u>\$ 7,516</u>	<u>\$ -</u>

Original
Authorized Cost

Additional Project Information:

Project Number	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	<u>160,000</u>
		<u>\$ 638,792</u>

FEC Grant Date	1/16/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 644,000
Revised Authorized Cost	638,792
Percentage Increase Over Original Authorized Cost	-99%
Percentage Completion	99%
Original Target Completion Date	2014/15

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
ROOF REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State - Regular Operating District Grants	\$ 293,600	\$ (94,318)	\$ 199,282	\$ 199,282
Local Sources - Transfer from Capital Outlay	<u>440,400</u>	<u>-</u>	<u>440,400</u>	<u>440,400</u>
Total Revenues and Other Financing Sources	<u>734,000</u>	<u>(94,318)</u>	<u>639,682</u>	<u>639,682</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services	57,126	-	57,126	57,126
Construction Services	<u>441,080</u>	<u>-</u>	<u>441,080</u>	<u>582,556</u>
Total Expenditures	<u>498,206</u>	<u>-</u>	<u>498,206</u>	<u>639,682</u>
Excess/(Deficiency) Revenues Over Expenditures	<u>\$ 235,794</u>	<u>\$ (94,318)</u>	<u>\$ 141,476</u>	<u>\$ -</u>

Original
Authorized Cost

Additional Project Information:

Project Number		
	West Belmar Elementary School	\$ 66,110
	Central Elementary School	316,317
	Allenwood Elementary School	70,621
	Primary School	<u>186,634</u>
		<u>\$ 639,682</u>

FEC Grant Date	1/16/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 734,000
Revised Authorized Cost	639,682
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	78%
Original Target Completion Date	2014/15

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
PHONE SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</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	<u>274,980</u>	<u>-</u>	<u>274,980</u>	<u>274,980</u>
Total Revenues and Other Financing Sources	<u>458,300</u>	<u>-</u>	<u>458,300</u>	<u>458,300</u>
Expenditures and Other Financing Uses				
Expenditures				
Purchased Professional and Technical Services			-	
Construction Services	<u>449,134</u>	<u>-</u>	<u>449,134</u>	<u>458,300</u>
Total Expenditures	<u>449,134</u>	<u>-</u>	<u>449,134</u>	<u>458,300</u>
Excess Revenues Over Expenditures	<u>\$ 9,166</u>	<u>\$ -</u>	<u>\$ 9,166</u>	<u>\$ -</u>

Original
Authorized Cost

Additional Project Information:

Project Number			
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			<u>164,500</u>
		<u>\$</u>	<u>458,300</u>

FEC Grant Date	1/6/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 458,300
Revised Authorized Cost	458,300

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	98%
Original Target Completion Date	2016/17
Revised Target Completion Date	2019/20

**WALL TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS BUDGETARY BASIS
PUBLIC ADDRESS SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Prior Year</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	<u>1,159,800</u>	<u>-</u>	<u>1,159,800</u>	<u>1,159,800</u>
Total Revenues and Other Financing Sources	<u>1,933,000</u>	<u>-</u>	<u>1,933,000</u>	<u>1,933,000</u>
Expenditures and Other Financing Uses				
Expenditures				
Construction Services	<u>1,894,341</u>	<u>-</u>	<u>1,894,341</u>	<u>1,933,000</u>
Total Expenditures	<u>1,894,341</u>	<u>-</u>	<u>1,894,341</u>	<u>1,933,000</u>
Excess Revenues Over Expenditures	<u>\$ 38,659</u>	<u>\$ -</u>	<u>\$ 38,659</u>	<u>\$ -</u>
			<u>Original Authorized Cost</u>	

Additional Project Information:

Project Number			
	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		<u>702,000</u>
		<u>\$</u>	<u>1,933,000</u>

FEC Grant Date	1/6/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 1,933,000
Revised Authorized Cost	1,933,000

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	98%
Original Target Completion Date	2016/17
Revised Target Completion Date	2019/20

PROPRIETARY FUNDS

**WALL TOWNSHIP BOARD OF EDUCATION
 ENTERPRISE FUNDS - NON MAJOR
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2019**

	<u>Before and After School Programs</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 120,001
Accounts Receivable	<u>1,142</u>
Total Current Assets	<u>121,143</u>
Total Assets	<u>121,143</u>
LIABILITIES	
Accounts Payable	15,669
Unearned Revenue	<u>13,610</u>
Total Liabilities	<u>29,279</u>
NET POSITION	
Unrestricted	<u>91,864</u>
Total Net Position	<u>\$ 91,864</u>

**WALL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS - NON-MAJOR
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Before and After School Programs</u>
OPERATING REVENUES	
Charges for Services	
Program Fees	\$ 457,439
Total Operating Revenues	<u>457,439</u>
OPERATING EXPENSES	
Salaries and Employee Benefits	373,246
Purchased Property Services	75,368
Supplies and Materials	3,923
Other Purchased Services	<u>21,171</u>
Total Operating Expenses	<u>473,708</u>
Change in Net Position	(16,269)
Total Net Position, Beginning of Year	<u>108,133</u>
Total Net Position, End of Year	<u><u>\$ 91,864</u></u>

**WALL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUNDS - NON MAJOR
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

EXHIBIT G-3

	Before and After School Programs
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 471,668
Payments to Employees' Salaries and Benefits	(358,243)
Payments to Suppliers for Goods and Services	(100,462)
Net Cash Provided by Operating Activities	12,963
Net Increase in Cash and Cash Equivalents	12,963
Cash and Cash Equivalents, Beginning of Year	107,038
Cash and Cash Equivalents, End of Year	\$ 120,001
Reconciliation of Operating Income to Net Provided by Operating Activities	
Operating Loss	\$ (16,269)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	5,739
Increase/(Decrease) in Accounts Payable	15,003
Increase/(Decrease) in Unearned Revenue	8,490
Total Adjustments	29,232
Net Cash Provided by Operating Activities	\$ 12,963

FIDUCIARY FUNDS

**WALL TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 268,820	\$ 48,000	\$ 316,820
Total Assets	<u>\$ 268,820</u>	<u>\$ 48,000</u>	<u>\$ 316,820</u>
LIABILITIES			
Payroll Deductions and Withholdings		\$ 29,816	\$ 29,816
Flexible Spending (Sect. 125) Plan		18,184	18,184
Due to Student Groups	\$ 268,820	<u>-</u>	<u>268,820</u>
Total Liabilities	<u>\$ 268,820</u>	<u>\$ 48,000</u>	<u>\$ 316,820</u>

**WALL TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOT APPLICABLE

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**WALL TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
ELEMENTARY SCHOOL				
Wall Central	\$ 5,059	\$ 999	-	\$ 6,058
Total Elementary School	<u>5,059</u>	<u>999</u>	<u>-</u>	<u>6,058</u>
MIDDLE SCHOOL				
Wall Intermediate School	53,013	281,943	\$ 274,529	60,427
Athletic Account	<u>5,003</u>	<u>17,040</u>	<u>16,489</u>	<u>5,554</u>
Total Middle School	<u>58,016</u>	<u>298,983</u>	<u>291,018</u>	<u>65,981</u>
HIGH SCHOOL				
Wall High School	205,044	559,175	568,068	196,151
Athletic Account	<u>6,265</u>	<u>106,232</u>	<u>111,867</u>	<u>630</u>
Total High School	<u>211,309</u>	<u>665,407</u>	<u>679,935</u>	<u>196,781</u>
Total All Schools	<u>\$ 274,384</u>	<u>\$ 965,389</u>	<u>\$ 970,953</u>	<u>\$ 268,820</u>

**WALL TOWNSHIP BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Balance, July 1, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2019</u>
ASSETS				
Cash	\$ 90,286	\$ 51,059,988	\$ 51,102,274	\$ 48,000
Total Assets	<u>\$ 90,286</u>	<u>\$ 51,059,988</u>	<u>\$ 51,102,274</u>	<u>\$ 48,000</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 77,500	\$ 22,079,985	\$ 22,127,669	\$ 29,816
Accrued Salaries and Wages		28,852,234	28,852,234	
Flexible Spending (Sect. 125) Account	<u>12,786</u>	<u>127,769</u>	<u>122,371</u>	<u>18,184</u>
Total Liabilities	<u>\$ 90,286</u>	<u>\$ 51,059,988</u>	<u>\$ 51,102,274</u>	<u>\$ 48,000</u>

LONG-TERM DEBT

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

101

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Paid</u>	<u>Balance, June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Pension Refunding Bonds	7/3/2012	\$ 3,790,000	7/15/2019	\$ 410,000	4.202 %			
			7/15/2020	430,000	4.202			
			7/15/2021	85,000	4.202			
			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	\$ 1,925,000	\$ 395,000	\$ 1,530,000
School Refunding Bonds	4/22/2015	17,515,000	7/15/2019	2,115,000	4.000			
			7/15/2020	2,230,000	5.000			
			7/15/2021	2,350,000	5.000			
			7/15/2022	2,370,000	5.000			
			7/15/2023	2,410,000	5.000	<u>13,495,000</u>	<u>2,020,000</u>	<u>11,475,000</u>
Totals						<u>\$ 15,420,000</u>	<u>\$ 2,415,000</u>	<u>\$ 13,005,000</u>
Paid by Budget Appropriation							<u>\$ 2,415,000</u>	

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Issue</u>	<u>Amount of Lease</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
2016 School Buses (2)	\$ 120,698	2.380%	\$ 24,900		\$ 24,900	
2015 School Bus	84,666	2.380%	17,466		17,466	
Various Equipment	70,000	2.493%	28,410		14,030	\$ 14,380
2016 School Buses (4)	267,000	2.110%	107,039		52,960	54,079
2017 School Buses (4)	300,000	2.150%	238,330		57,695	180,635
2019 School Buses (5)	405,000	2.980%	-	\$ 405,000	83,765	321,235
2020 School Buses (7)	<u>530,000</u>	2.466%	<u>-</u>	<u>530,000</u>	<u>-</u>	<u>530,000</u>
	<u>\$ 1,777,364</u>		<u>\$ 416,145</u>	<u>\$ 935,000</u>	<u>\$ 250,816</u>	<u>\$ 1,100,329</u>
			Paid by Budget Appropriation		<u>\$ 250,816</u>	

**WALL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 2,330,571		\$ 2,330,571	\$ 2,330,571	
State Sources					
Debt Service Aid - Type II	<u>746,539</u>	<u>-</u>	<u>746,539</u>	<u>746,539</u>	<u>-</u>
Total Revenues	<u>3,077,110</u>	<u>-</u>	<u>3,077,110</u>	<u>3,077,110</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	2,415,000		2,415,000	2,415,000	
Interest	<u>662,110</u>	<u>-</u>	<u>662,110</u>	<u>662,109</u>	<u>\$ 1</u>
Total Expenditures	<u>3,077,110</u>	<u>-</u>	<u>3,077,110</u>	<u>3,077,109</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

WALL TOWNSHIP BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2010	2011 (Restated)	2012 (Restated)	2013	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 4,692,837	\$ 5,020,977	\$ 10,479,420	\$ 12,332,608	\$ 13,242,009	\$ 16,176,888	\$ 17,202,958	\$ 20,341,432	\$ 22,614,140	\$ 23,668,548
Restricted	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297	5,712,617	6,045,607	7,879,125	7,007,106
Unrestricted	(3,773,176)	(4,124,667)	(3,817,074)	(2,778,148)	(23,633,552)	(24,643,354)	(25,626,679)	(28,205,105)	(28,363,547)	(26,374,370)
Total Governmental Activities Net Position	<u>\$ 919,662</u>	<u>\$ 1,796,311</u>	<u>\$ 10,205,982</u>	<u>\$ 14,006,692</u>	<u>\$ (6,078,701)</u>	<u>\$ (4,057,169)</u>	<u>\$ (2,711,104)</u>	<u>\$ (1,818,066)</u>	<u>\$ 2,129,718</u>	<u>\$ 4,301,284</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 137,373	\$ 115,315	\$ 144,719	\$ 136,138	\$ 124,473	\$ 110,091	\$ 96,696	\$ 109,259	\$ 94,376	\$ 82,010
Restricted										
Unrestricted	300,982	343,426	190,941	74,313	28,543	22,394	96,832	181,057	210,122	275,281
Total Business-Type Activities Net Position	<u>\$ 438,355</u>	<u>\$ 458,741</u>	<u>\$ 335,660</u>	<u>\$ 210,451</u>	<u>\$ 153,016</u>	<u>\$ 132,485</u>	<u>\$ 193,528</u>	<u>\$ 290,316</u>	<u>\$ 304,498</u>	<u>\$ 357,291</u>
District-Wide										
Net Investment in Capital Assets	\$ 4,830,210	\$ 5,136,292	\$ 10,624,139	\$ 12,468,746	\$ 13,366,482	\$ 16,286,979	\$ 17,299,654	\$ 20,450,691	\$ 22,708,516	\$ 23,750,558
Restricted	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297	5,712,617	6,045,607	7,879,125	7,007,106
Unrestricted	(3,472,194)	(3,781,241)	(3,626,133)	(2,703,835)	(23,605,009)	(24,620,960)	(25,529,847)	(28,024,048)	(28,153,425)	(26,099,089)
Total District Net Position	<u>\$ 1,358,017</u>	<u>\$ 2,255,052</u>	<u>\$ 10,541,642</u>	<u>\$ 14,217,143</u>	<u>\$ (5,925,685)</u>	<u>\$ (3,924,684)</u>	<u>\$ (2,517,576)</u>	<u>\$ (1,527,750)</u>	<u>\$ 2,434,216</u>	<u>\$ 4,658,575</u>

Note 1-Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: District's financial statements

**WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Fiscal Year Ended June 30,</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
				<u>2013</u>	<u>2014</u>					
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 25,585,769	\$ 24,533,774	\$ 23,679,968	\$ 26,404,404	\$ 26,886,838	\$ 31,427,530	\$ 33,698,651	\$ 37,630,745	\$ 39,377,966	\$ 36,508,007
Special Education	10,707,746	10,187,341	10,601,160	11,222,939	11,694,226	13,806,763	15,035,647	17,072,291	18,001,939	16,858,330
Vocational - Tuition	461,999	559,918	527,268	647,315	654,740	600,106	590,722	593,542	631,973	620,206
Other Instruction	1,089,638	1,045,098	941,861	1,196,910	1,141,619	1,393,728	1,609,390	1,651,386	1,804,832	1,777,481
School Sponsored Activities And Athletics	1,501,331	1,257,907	1,203,233	1,300,140	1,279,499	1,601,878	1,788,657	2,036,227	2,157,394	2,024,421
Support Services:										
Tuition										
Student and Instruction Related Services	7,089,360	7,461,253	7,976,619	8,303,915	8,809,469	9,205,306	9,982,279	11,073,493	11,454,012	11,362,762
General Administration	1,626,202	1,898,407	2,407,858	2,326,711	2,045,764	2,368,038	2,199,742	2,374,618	2,367,353	2,986,703
School Administration	3,735,812	4,218,653	3,911,563	3,725,116	3,913,365	4,530,340	4,729,551	5,172,594	5,383,818	4,775,129
Plant Operations and Maintenance	7,241,122	6,958,237	6,812,914	6,380,777	7,207,497	7,079,295	7,452,065	8,476,832	8,213,055	8,635,521
Student Transportation	4,814,104	4,572,641	4,357,476	5,074,791	4,999,220	4,904,733	5,036,208	5,644,337	5,869,426	5,819,040
Business/Central and Other Support Services	1,720,850	1,735,668	2,068,366	1,485,789	1,620,047	1,642,036	1,582,559	1,428,365	1,857,613	1,858,143
Charter Schools	22,291	24,208	35,105	-	-					
Interest On Long-Term Debt	1,588,257	1,485,207	1,390,293	1,188,740	1,075,778	913,993	866,935	413,056	418,974	364,205
Total Governmental Activities Expenses	<u>67,184,481</u>	<u>65,938,312</u>	<u>65,913,684</u>	<u>69,257,547</u>	<u>71,328,062</u>	<u>79,473,746</u>	<u>84,572,406</u>	<u>93,567,486</u>	<u>97,538,355</u>	<u>93,589,948</u>
Business-Type Activities:										
Food Service	1,624,853	1,662,029	1,643,042	1,554,034	1,483,915	1,469,775	1,484,453	1,489,665	1,507,486	1,494,552
After School Prep Enterprise Fund		8,128	4,923	3,525	8,636	14,002	303,791	383,074	416,661	473,708
Total Business-Type Activities Expense	<u>1,624,853</u>	<u>1,670,157</u>	<u>1,647,965</u>	<u>1,557,559</u>	<u>1,492,551</u>	<u>1,483,777</u>	<u>1,788,244</u>	<u>1,872,739</u>	<u>1,924,147</u>	<u>1,968,260</u>
Total District Expenses	<u>\$ 68,809,334</u>	<u>\$ 67,608,469</u>	<u>\$ 67,561,649</u>	<u>\$ 70,815,106</u>	<u>\$ 72,820,613</u>	<u>\$ 80,957,523</u>	<u>\$ 86,360,650</u>	<u>\$ 95,440,225</u>	<u>\$ 99,462,502</u>	<u>\$ 95,558,208</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 95,669	\$ 133,908	\$ 113,705	\$ 247,878	\$ 348,355	\$ 411,303	\$ 411,075	\$ 534,055	\$ 620,035	\$ 879,340
Pupil Transportation	400									4,419
Rentals	12,190	19,695	12,153	16,005	20,300	25,552	44,570	111,727	109,346	120,333
Operating Grants And Contributions	11,387,092	7,705,274	10,183,257	11,336,418	10,619,298	17,563,405	21,150,066	27,095,553	32,776,510	26,352,905
Capital Grants And Contributions		462,141	618,546	-	-	766,032	35,109	817,496	138,688	54,872
Total Governmental Activities Program Revenues	<u>11,495,351</u>	<u>8,321,018</u>	<u>10,927,661</u>	<u>11,600,301</u>	<u>10,987,953</u>	<u>18,766,292</u>	<u>21,640,820</u>	<u>28,558,831</u>	<u>33,644,579</u>	<u>27,411,869</u>

**WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-Type Activities:										
Charges For Services										
Food Service	\$ 1,560,057	\$ 1,476,526	\$ 1,286,694	\$ 1,193,478	\$ 1,176,974	\$ 1,213,004	\$ 1,243,504	\$ 1,258,939	\$ 1,226,757	\$ 1,268,380
After School Prep Programs			10,775	4,475	15,100	19,080	334,296	404,372	448,023	457,439
Operating Grants And Contributions	215,632	213,031	228,166	234,397	243,042	231,162	271,487	282,717	263,549	295,234
Capital Grants And Contributions										
Total Business Type Activities Program Revenues	<u>1,775,689</u>	<u>1,689,557</u>	<u>1,525,635</u>	<u>1,432,350</u>	<u>1,435,116</u>	<u>1,463,246</u>	<u>1,849,287</u>	<u>1,946,028</u>	<u>1,938,329</u>	<u>2,021,053</u>
Total District Program Revenues	<u>\$ 13,271,040</u>	<u>\$ 10,010,575</u>	<u>\$ 12,453,296</u>	<u>\$ 13,032,651</u>	<u>\$ 12,423,069</u>	<u>\$ 20,229,538</u>	<u>\$ 23,490,107</u>	<u>\$ 30,504,859</u>	<u>\$ 35,582,908</u>	<u>\$ 29,432,922</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (55,689,130)	\$ (57,617,294)	\$ (54,986,023)	\$ (57,657,246)	\$ (60,340,109)	\$ (60,707,454)	\$ (62,931,586)	\$ (65,008,655)	\$ (63,893,776)	\$ (66,178,079)
Business-Type Activities	150,836	19,400	(122,330)	(125,209)	(57,435)	(20,531)	61,043	73,289	14,182	52,793
Total District-Wide Net Expense	<u>\$ (55,538,294)</u>	<u>\$ (57,597,894)</u>	<u>\$ (55,108,353)</u>	<u>\$ (57,782,455)</u>	<u>\$ (60,397,544)</u>	<u>\$ (60,727,985)</u>	<u>\$ (62,870,543)</u>	<u>\$ (64,935,366)</u>	<u>\$ (63,879,594)</u>	<u>\$ (66,125,286)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 54,311,592	\$ 55,717,349	\$ 57,154,069	\$ 58,296,691	\$ 58,578,533	\$ 59,750,104	\$ 60,945,106	\$ 62,797,547	\$ 64,053,498	\$ 65,330,579
Taxes Levied For Debt Service	2,269,044	2,452,623	2,465,751	2,476,947	2,450,941	2,406,906	2,471,421	2,319,371	2,324,431	2,330,571
State Sources	981,529	480,933	457,961	475,930	491,611	496,096	497,916	460,086	461,720	449,440
Investment Earnings	10,293	12,160	461	845	-	-	-	7,995	41,107	88,398
Miscellaneous Income	138,252	71,500	230,558	207,543	163,987	75,880	363,208	265,021	960,804	150,657
Total Governmental Activities	<u>57,710,710</u>	<u>58,734,565</u>	<u>60,308,800</u>	<u>61,457,956</u>	<u>61,685,072</u>	<u>62,728,986</u>	<u>64,277,651</u>	<u>65,850,020</u>	<u>67,841,560</u>	<u>68,349,645</u>
Business-Type Activities:										
Investment Earnings	\$ 839	\$ 986	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>839</u>	<u>986</u>	<u>33</u>	<u>-</u>						
Total District-Wide	<u>\$ 57,711,549</u>	<u>\$ 58,735,551</u>	<u>\$ 60,308,833</u>	<u>\$ 61,457,956</u>	<u>\$ 61,685,072</u>	<u>\$ 62,728,986</u>	<u>\$ 64,277,651</u>	<u>\$ 65,850,020</u>	<u>\$ 67,841,560</u>	<u>\$ 68,349,645</u>
Change in Net Position										
Governmental Activities	2,021,580	1,117,271	5,322,777	3,800,710	1,344,963	2,021,532	1,346,065	841,365	3,947,784	2,171,566
Business-Type Activities	151,675	20,386	(122,297)	(125,209)	(57,435)	(20,531)	61,043	73,289	14,182	52,793
Total District	<u>\$ 2,173,255</u>	<u>\$ 1,137,657</u>	<u>\$ 5,200,480</u>	<u>\$ 3,675,501</u>	<u>\$ 1,287,528</u>	<u>\$ 2,001,001</u>	<u>\$ 1,407,108</u>	<u>\$ 914,654</u>	<u>\$ 3,961,966</u>	<u>\$ 2,224,359</u>

Source: District's financial statements

**WALL TOWNSHIP BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)**

	2010	2011	2012	2013	Fiscal Year Ended June 30,		2016	2017	2018	2019
					2014	2015				
General Fund										
Reserved	\$ 715,926									
Unreserved	2,324,203									
Nonspendable		\$ 5,047	\$ 69,903							
Restricted		1,498,501	3,743,636	\$ 6,277,447	\$ 5,581,124	\$ 4,777,176	\$ 4,349,605	\$ 5,688,945	\$ 8,377,795	\$ 8,034,903
Committed		522,240					473,561	554,785	412,131	1,679,277
Assigned		1,547,986	1,735,441	420,888	481,259	380,336	250,573	113,521	465,916	810,283
Unassigned		965,959	742,020	639,060	777,632	756,726	838,479	851,602	854,228	600,499
Total General Fund	\$ 3,040,129	\$ 4,539,733	\$ 6,291,000	\$ 7,337,395	\$ 6,840,015	\$ 5,914,238	\$ 5,912,218	\$ 7,208,853	\$ 10,110,070	\$ 11,124,962
All Other Governmental Funds										
Reserved										
Unreserved	-	-	-	-	-	-	-	-	-	-
Restricted				\$ 57,096	\$ 614,029	\$ 230,621	\$ 1,618,425	\$ 388,575	\$ 196,330	\$ 251,203
Assigned				-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ 57,096	\$ 614,029	\$ 230,621	\$ 1,618,425	\$ 388,575	\$ 196,330	\$ 251,203

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 amounts to comply with Statement No. 54 is not required.

Source: District's financial statements

WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	\$ 56,580,636	\$ 58,169,972	\$ 59,619,820	\$ 60,773,638	\$ 61,029,474	\$ 62,157,010	\$ 63,416,527	\$ 65,116,918	\$ 66,377,929	\$ 67,661,150
Tuition Charges	95,669	133,908	113,705	247,878	348,355	411,303	411,075	534,055	620,035	879,340
Interest Earnings	10,293	12,160	461	845	-			7,995	41,107	88,398
Transportation	400									4,419
Rental Fees	12,190	19,695	12,153	16,005	20,300	25,552	44,570	111,727	109,346	120,333
Miscellaneous	138,252	542,601	236,891	236,497	164,451	95,127	386,498	275,944	992,999	192,912
State Sources	10,301,744	7,200,310	9,387,851	10,547,280	9,658,196	11,437,055	11,781,724	13,704,580	14,474,825	15,807,660
Federal Sources	2,066,877	976,937	1,865,580	1,236,114	1,452,249	1,294,798	1,320,511	1,270,302	1,335,270	1,369,401
Total Revenue	69,206,061	67,055,583	71,236,461	73,058,257	72,673,025	75,420,845	77,360,905	81,021,521	83,951,511	86,123,613
Expenditures										
Instruction										
Regular Instruction	24,164,327	22,643,230	24,046,276	26,636,286	26,785,953	27,611,387	28,330,042	29,244,160	29,999,268	31,437,318
Special Education Instruction	10,707,746	10,000,663	10,735,197	11,314,962	11,689,276	12,393,841	12,971,052	13,786,105	14,233,956	14,777,835
Vocational Education - Tuition	461,999	559,918	527,268	647,315	654,740	600,106	590,722	593,542	631,973	620,206
Other Instruction	1,089,638	1,019,174	958,176	1,209,783	1,140,986	1,215,187	1,341,752	1,266,809	1,360,592	1,518,521
School Sponsored Activities and Athletics	1,501,331	1,231,551	1,220,598	1,311,222	1,278,933	1,430,623	1,535,470	1,621,365	1,686,985	1,767,414
Support Services:										
Student and Instruction Related Services	7,070,492	7,259,672	7,960,582	8,220,607	8,666,001	8,780,042	9,224,273	9,390,598	9,415,559	10,225,448
General Administration	1,612,823	1,867,390	1,396,685	1,190,212	1,041,049	1,229,571	1,010,506	1,090,756	1,074,753	1,068,454
School Administration	3,689,329	4,149,223	3,976,702	3,764,603	3,911,335	4,158,822	4,193,626	4,208,259	4,250,464	4,433,677
Plant Operations and Maintenance	7,125,476	6,755,201	6,871,107	6,408,965	7,191,146	6,985,188	7,212,942	7,634,816	7,249,392	8,158,857
Student Transportation	4,596,486	4,478,553	4,180,808	4,871,035	4,788,364	4,616,572	4,647,740	4,914,773	5,008,659	5,213,044
Business/Central and Other Support Services	1,717,505	1,700,434	2,091,182	1,498,608	1,619,340	1,619,747	1,520,373	1,351,770	1,597,477	1,742,002
Charter Schools	22,291	24,208	35,105	-	-					
Capital Outlay	268,419	146,712	1,776,062	1,299,310	913,464	2,894,328	310,619	2,531,137	1,700,822	1,686,432
Debt Service:										
Principal	2,148,256	2,231,750	2,314,307	2,425,617	2,289,989	2,391,273	2,730,213	2,494,964	2,578,656	2,665,816
Interest and Other Charges	1,582,727	1,488,300	1,395,139	1,241,559	1,083,524	1,008,707	692,791	825,682	753,983	673,824
Bond Issuance Costs						188,580				
Payments to Escrow Agent						387,316				
Total Expenditures	67,758,845	65,555,979	69,485,194	72,040,084	73,054,100	77,511,290	76,312,121	80,954,736	81,542,539	85,988,848
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	1,447,216	1,499,604	1,751,267	1,018,173	(381,075)	(2,090,445)	1,048,784	66,785	2,408,972	134,765

WALL TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	\$ 159,196				\$ 440,628	\$ 205,364	\$ 337,000		\$ 300,000	\$ 935,000
Proceeds From Refunding				\$ 3,790,000	-	17,515,000				
Payments To Escrow Agent				(3,704,682)	-	(19,335,000)				
Original Issue Premiums						2,395,896				
Transfers In	31,876		\$ 834,347	-	592,789	826,800	1,434,780			
Transfers Out	(31,876)		(834,347)	-	(592,789)	(826,800)	(1,434,780)			
Total Other Financing Sources (Uses)	<u>159,196</u>	<u>-</u>	<u>-</u>	<u>85,318</u>	<u>440,628</u>	<u>781,260</u>	<u>337,000</u>	<u>-</u>	<u>300,000</u>	<u>935,000</u>
Net Change in Fund Balances	<u>\$ 1,606,412</u>	<u>\$ 1,499,604</u>	<u>\$ 1,751,267</u>	<u>\$ 1,103,491</u>	<u>\$ 59,553</u>	<u>\$ (1,309,185)</u>	<u>\$ 1,385,784</u>	<u>\$ 66,785</u>	<u>\$ 2,708,972</u>	<u>\$ 1,069,765</u>
Debt Service as a Percentage of										
Noncapital Expenditures	5.53%	5.69%	5.48%	5.18%	4.68%	4.56%	4.50%	4.23%	4.17%	3.96%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District's financial statements

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Tuition	Reimbursements	Interest on Investments	Demand Response	Prior Year Payables Cancelled	Transportation	Rentals	Insurance Proceeds	Grant Proceeds for Prior Year Capital Projects	Miscellaneous	E-Rate	Total
2010	\$ 95,669		\$ 10,293			\$ 400	\$ 12,190			\$ 127,943		\$ 246,495
2011	133,908		12,160				19,695	\$ 462,141		71,500		699,404
2012	113,705		461				12,153	69,634		160,924		356,877
2013	247,878		845				16,005		\$ 153,536	54,007		472,271
2014	348,355						20,300			163,987		532,642
2015	411,303						25,552			75,880		512,735
2016	411,075	\$ 77,647					44,570	174,767		61,004	\$ 49,790	818,853
2017	534,055		7,995	\$ 23,246	\$ 74,708		111,727		114,212	52,855		918,798
2018	620,035		41,107	16,164	759,106		109,346			185,534		1,731,292
2019	879,340		88,398	21,135	11,575	4,419	120,333			117,947		1,243,147

Source: District's financial statements

**WALL TOWNSHIP BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2010	\$ 85,801,600	\$2,876,681,100	\$ 32,461,900		\$ 649,955,000	\$136,093,000	\$23,177,800	\$3,804,170,400	\$ 5,846,022	\$3,810,016,422	\$ 6,247,611,102	\$ 1.506
2011	80,704,900	2,866,808,600	30,777,100		627,511,000	134,160,200	22,877,800	3,762,839,600	6,012,493	3,768,852,093	6,199,670,684	1.564
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	6,107,506,199	1.610
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	5,684,897,675	1.641
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	5,614,372,406	1.666
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	5,602,708,447	1.700
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	5,924,070,513	1.080
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	6,128,451,633	1.107
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	6,156,959,538	1.123
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	6,348,046,083	1.138

Source: County Abstract of Ratables

a Tax rates are per \$100

N/A - Not Available

WALL TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)

<u>Calendar Year</u>	<u>Total</u>	<u>School District</u>	<u>Municipal</u>	<u>County</u>	<u>Other</u>
2010	\$ 2.664	\$ 1.506	\$ 0.632	\$ 0.466	\$ 0.060
2011	2.752	1.564	0.655	0.455	0.078
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	2.888	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

Source: Township Finance Office

Note- The Township had a revaluation that took effect in 2016

WALL TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2019		Taxpayer	2010	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
State St Bank C/o NJNG John Leshak	\$ 36,142,900	0.605%	Wall Herald Corporation	\$ 37,551,700	0.987%
Horizon Blue Cross Blue Shield	33,750,000	0.565%	Mack-Cali Corp.	24,976,900	0.657%
RAR2-Wall Towne Center, LLC	33,484,400	0.560%	Horizon Blue Cross	19,621,700	0.516%
Androse Assoc. of Allaire, LLC	27,587,600	0.461%	State St. Bank C/O NJNG	17,600,000	0.463%
Sea Girt LP C/o Sher Partners	23,258,900	0.389%	What's Your Racquet, Inc.	17,551,400	0.461%
The Atlantic Club, Inc.	22,000,000	0.368%	Richard Bahadurian	14,231,600	0.374%
Wall Herald	17,225,400	0.288%	Levcome Wall Plaza	14,847,200	0.390%
1330 Campus Parkway, LLC	16,655,700	0.279%	AB Monmouth	13,857,000	0.364%
Spring Lake Gardens, Inc.	15,243,700	0.255%	Androse Assn. of Allaire	13,530,400	0.356%
TATA Communications (America), Inc.	15,064,300	0.252%	Monmouth Investors	12,460,900	0.328%
	<u>\$ 240,412,900</u>	<u>4.021%</u>		<u>\$ 186,228,800</u>	<u>4.895%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 56,580,636	\$ 56,580,636	100.00%	
2011	58,169,972	55,822,475	95.96%	\$ 2,347,497
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%	

Source: District financial records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchase Agreements			
2010	\$ 34,410,000	\$ 1,319,922	\$ 35,729,922	26,162	\$ 1,366
2011	32,610,000	888,172	33,498,172	26,093	1,284
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 Est.	549

Source: District records

WALL TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2010	\$ 34,410,000		\$ 34,410,000	0.55%	\$ 1,315
2011	32,610,000		32,610,000	0.53%	1,250
2012	30,715,000		30,715,000	0.50%	1,180
2013	28,825,000		28,825,000	0.51%	1,109
2014	26,660,000		26,660,000	0.47%	1,029
2015	22,575,000		22,575,000	0.40%	872
2016	19,985,000		19,985,000	0.34%	772
2017	17,740,000		17,740,000	0.29%	687
2018	15,420,000		15,420,000	0.25%	600
2019	13,005,000		13,005,000	0.20%	506

Source: District records

Notes:

- a See Exhibit J-6 for property tax data.
- b See Exhibit J-14 for population data.

**WALL TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(Unaudited)**

	<u>Net Debt</u>
Municipal Debt: (1)	\$ 13,005,000
Wall Township Board of Education (as of June 30, 2019)	
Township of Wall	<u>32,633,456</u>
	<u>32,633,456</u>
Overlapping Debt Apportioned to the Municipality:	
Monmouth County:	
County of Monmouth(A)	<u>53,805,858</u>
	<u>53,805,858</u>
Total Direct and Overlapping Debt	<u>\$ 86,439,314</u>

Source:

(1) Township's 2018 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2018 equalized value by the total 2018 equalized value for Monmouth County.

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

Legal Debt Margin Calculation for Fiscal Year 2019

Equalized Valuation Basis

2018	\$ 6,320,630,061
2017	6,120,388,399
2016	<u>5,916,116,544</u>
	<u>\$ 18,357,135,004</u>

Average Equalized Valuation Of Taxable Property

\$ 6,119,045,001

Debt Limit (4 % of Average Equalization Value)

244,761,800

Total Net Debt Applicable to Limit

13,005,000

Legal Debt Margin

\$ 231,756,800

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 267,480,885	\$ 260,484,556	\$254,181,622	\$241,269,347	\$ 230,438,397	\$ 223,407,044	\$ 223,373,044	\$ 229,784,067	\$ 236,601,951	\$ 244,761,800
Total Net Debt Applicable To Limit	<u>29,965,000</u>	<u>28,405,000</u>	<u>26,760,000</u>	<u>25,035,000</u>	<u>23,230,000</u>	<u>19,510,000</u>	<u>19,985,000</u>	<u>17,740,000</u>	<u>15,420,000</u>	<u>13,005,000</u>
Legal Debt Margin	<u>\$ 237,515,885</u>	<u>\$ 232,079,556</u>	<u>\$227,421,622</u>	<u>\$216,234,347</u>	<u>\$ 207,208,397</u>	<u>\$ 203,897,044</u>	<u>\$ 203,388,044</u>	<u>\$ 212,044,067</u>	<u>\$ 221,181,951</u>	<u>\$ 231,756,800</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.20%	10.90%	10.53%	10.38%	10.08%	8.73%	8.95%	7.72%	6.52%	5.31%

Source: Annual Debt Statements

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

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	26,162	\$ 57,489	8.00%
2011	26,093	60,543	8.10%
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	25,705	75,395 (E)	3.90%
2019	25,705 (E)	75,395 (E)	3.60%

Source: New Jersey State Department of Education

(E) - Estimated

WALL TOWNSHIP BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
		NOT AVAILABLE		NOT AVAILABLE
		<u>0.00%</u>		<u>0.00%</u>

N/A - Not Available

Source: Township of Wall

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	453	394	258	256.5	260.0	275.0	274.1	270.5	267.5	258.6
Special Education		1	73	90.0	145.5	161.0	156.3	160.8	167.9	164.5
Other Special Education			52	53.0	-					
Other Instruction			158	158.0	157.0	155.0	164.0	194.0	199.0	213.0
Support Services:										
Student and Instruction Related Services	75	76	87	90.0	91.5	104.5	98.8	121.6	110.0	118.6
General Administration	7	6	4	4.0	4.0	6.0	6.0	6.0	6.0	6.0
School Administrative Services	11	10	31	31.0	30.0	30.0	30.0	31.0	31.6	32.0
Other Administrative Services	19	9								
Central Services	9	9	9	8.0	8.0	7.0	7.0	7.0	7.0	7.0
Administrative Information Technology	6	5	5	6.0	5.0	6.0	6.0	6.0	6.0	6.0
Plant Operations And Maintenance	113	87	87	86.5	88.0	99.0	103.9	98.6	100.3	105.2
Pupil Transportation	78	87	66	66.9	66.0	67.6	66.1	63.5	62.8	60.1
Total	<u>771</u>	<u>684</u>	<u>829</u>	<u>850</u>	<u>855.0</u>	<u>911.1</u>	<u>912.2</u>	<u>959.0</u>	<u>958.1</u>	<u>971.0</u>

Source: District Personnel Records

WALL TOWNSHIP BOARD OF EDUCATION
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2010	4,265.5	\$ 63,761,976	\$ 14,948	2.70%	379.00	1:11.8	1:12	1:12.2	4,243.4	4,066.2	-1.27%	95.82%
2011	4,112.0	61,689,217	15,002	0.36%	365.00	1:11.2	1:11.4	1:11.8	4,066.5	3,872.5	-4.17%	95.23%
2012	3,956.0	67,324,895	17,018	13.44%	382.00	1:11.2	1:12.5	1:12.6	3,936.9	3,767.1	-3.19%	95.69%
2013	3,820.5	67,310,213	17,618	3.52%	384.59	1:09.3	1:09.6	1:11.1	3,849.0	3,676.0	-2.23%	95.51%
2014	3,715.5	68,767,123	18,508	5.05%	402.29	1:08.4	1:09.3	1:09.3	3,629.0	3,508.0	-5.72%	96.67%
2015	3,648.5	70,641,086	19,362	4.61%	400.00	1:08.9	1:09.0	1:08.8	3,572.0	3,454.0	-1.57%	96.70%
2016	3,606.0	72,578,498	20,127	3.95%	400.00	1:08.9	1:08.8	1:09.3	3,588.1	3,475.0	0.45%	96.85%
2017	3,460.0	75,102,953	21,706	7.84%	418.00	1:08.7	1:08.1	1:08.0	3,454.2	3,435.7	-3.73%	99.46%
2018	3,410.0	76,509,078	22,437	3.37%	419.00	1:08.4	1:07.7	1:08.0	3,398.5	3,326.2	-1.61%	97.87%
2019	3,351.0	80,962,776	24,161	7.68%	417.00	1:08.4	1:07.8	1:07.6	3,379.7	3,300.5	-0.55%	97.66%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>										
<u>Elementary</u>										
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	436	409	401	387	359	348	348	380	391	406
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	608	558	533	495	506	507	504	522	526	538
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	490	485	456	434	434	420	402	404	381	380
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	216	214	232	221	212	199	203	186	181	173
<u>Middle School</u>										
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	1,055	1,045	1,038	990	940	921	887	811	787	775
<u>High School</u>										
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	1,371	1,318	1,224	1,220	1,197	1,184	1,190	1,100	1,094	1,021
<u>Primary</u>										
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	70	47	48	50	36	50	55	57	50	58

WALL TOWNSHIP BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Other</u>										
Superintendent's Building										
Square Feet - 2,880										
Business Office										
Square Feet - 5,760										
Technology Building										
Square Feet - 1,069										
Tech. Storage Barn										
Square Feet - 1,296										
Maintenance Building										
Square Feet - 4,756										
Red Storage Barn										
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, 2019										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 1										

Source: District Records

**WALL TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

	<u>Project # (s)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
School Facilities											
Wall High School	050	\$ 118,926	\$ 174,714	\$ 665,666	\$ 222,767	\$ 147,150	\$ 77,780	\$ 102,842	\$ 136,799	\$ 87,265	\$ 168,933
Allenwood School	060	52,364	38,650	42,581	16,597	60,219	35,542	35,969	29,623	39,077	31,409
Central Elementary	070	29,529	45,986	62,692	27,239	59,643	48,246	49,712	51,100	54,929	71,440
Wall Intermediate	075	125,729	71,190	114,269	28,520	82,433	89,364	45,122	108,071	196,273	93,853
Old Mill	077	38,841	54,720	39,695	25,210	54,979	47,601	39,956	187,116	38,219	65,456
Primary	078	8,981	22,545	20,040	1,374	28,113	28,745	16,272	6,157	2,166	25,201
West Belmar	080	33,555	34,623	31,764	20,897	59,345	31,011	31,551	31,747	11,395	56,640
Total School Facilities		<u>\$ 407,925</u>	<u>\$ 442,428</u>	<u>\$ 976,707</u>	<u>\$ 342,604</u>	<u>\$ 491,882</u>	<u>\$ 358,289</u>	<u>\$ 321,424</u>	<u>\$ 550,613</u>	<u>\$ 429,324</u>	<u>\$ 512,932</u>

Source: District Records

**WALL TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2019
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
School Excess Liability Joint Insurance Fund		
Property Blanket Bldg. & Contents	\$ 112,523,480	\$ 5,000
Program Blanket Limit	500,000,000	100,000
Comprehensive General Liability	5,000,000	None
Comprehensive Crime Coverage	500,000	1,000
Money & Securities	2,500,000	1,000
Workers Compensation	5,000,000	N/L
Computers & Schedule Equipment		
School Excess Liability Joint Insurance Fund		
Data Processing Equipment	Within Policy Blanket Limit	5,000
Valuable Papers	Within Policy Blanket Limit	5,000
Miscellaneous Equipment	Within Policy Blanket Limit	5,000
Business Income	100,000,000 Blanket Limit	5,000
Extra Expense	50,000,000	5,000
Boiler & Machinery - School Excess Joint Insurance Fund		
Property Damage	\$ 100,000,000 Blanket Limit	5,000
Umbrella Excess Liability		
School Excess - Umbrella Policy	5,000,000	None
Liability Fund - Fireman's Fund	50,000,000	None
School Board Legal Liability - Ace USA		
Directors & Officers Policy	5,000,000	10,000
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



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Wall Township Board of Education
Wall Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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 Board of Education as of and for the fiscal year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Wall Township Board of Education's basic financial statements and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wall Township Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Wall Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wall Township Board of Education'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 Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Wall Township Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 4, 2019.

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 Wall Township Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wall Township Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 4, 2019



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
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CHRIS SOHN, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Wall Township Board of Education
Wall Township, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Wall Township Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Wall Township Board of Education's major federal and state programs for the fiscal year ended June 30, 2019. The Wall Township Board of Education'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 the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance 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 Board of Education'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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 Wall Township Board of Education'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 Wall Township Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Wall Township Board of Education 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 fiscal year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2019-001 and 2019-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The Wall Township Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Wall Township Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the Wall Township Board of Education 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 Wall Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB 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 Wall Township Board of Education'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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the Wall Township Board of Education, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 4, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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Certified Public Accountants
Public School Accountants

Donna L. Japhet

Donna L. Japhet
Public School Accountant
PSA Number CS002314

Fair Lawn, New Jersey
December 4, 2019

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018	Cash Received	Adjustment- Carryover Receivable	Adjustment- Carryover Deferred Revenue	Budgetary Expenditures	Adjustments	Balance, June 30, 2019			Memo GAAP Receivable
												(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
NCLB Title I	84.010A	S010A160030	NCLB5420-17	7/1/16-6/30/17	\$ 309,511	\$ 199								\$ 199	
ESEA Title I	84.010A	S010A170030	ESEA5420-18	7/1/17-6/30/18	314,499	(120,873)	\$ 99,477	\$ 68,571	\$ (47,175)						
ESEA Title I	84.010A	S010A180030	ESEA5420-19	7/1/18-6/30/19	314,675		222,541	(68,571)	47,175	\$ 304,113		\$ (160,705)	\$ 57,737		\$ (102,968)
ESEA Title IIA	84.367	S367A170029	ESEA5420-18	7/1/17-6/30/18	80,446	(2,679)	2,680	11,448	(11,449)						
ESEA Title IIA	84.367	S367A180029	ESEA5420-19	7/1/18-6/30/19	71,681		11,105	(11,448)	11,449	42,191		(72,024)	40,939	198	(31,085)
NCLB Title III	84.365	S365A150030	NCLB5420-16	7/1/15-6/30/16	15,775	198									
ESEA Title III	84.365	S365A170030	ESEA5420-18	7/1/17-6/30/18	11,595	(2,772)	2,772	6,524	(6,524)						
ESEA Title III	84.365	S365A180030	ESEA5420-19	7/1/18-6/30/19	34,132		27,303	(6,524)	6,524	31,355		(13,353)	9,301		(4,052)
ESEA Title III - Immigrant	84.365	S365A170030	ESEA5420-18	7/1/17-6/30/18	1,351	(814)	814	537	(537)						
ESEA Title III - Immigrant	84.365	S365A180030	ESEA5420-19	7/1/18-6/30/19	1,612			(537)	537	1,326		(2,149)	823		(1,326)
ESEA Title IV	84.424	S424A170031	ESEA5420-18	7/1/17-6/30/18	10,000	(4,572)	3,576	4,469	(3,473)						
ESEA Title IV	84.424	S424A180031	ESEA5420-19	7/1/18-6/30/19	18,918		17,381	(4,469)	3,473	22,158		(6,006)	233		(5,773)
Temporary Emergency Impact Aid	84.398C	S938C18005	N/A	7/1/17-6/30/18	13,875	(13,875)	13,875								
IDEA Part B Basic	84.027	H027A150100	IDEA542015	7/1/14-6/30/15	874,910	10,361								10,361	
IDEA Part B Basic	84.027	H027A170100	IDEA542017	7/1/17-6/30/18	836,888	(93,838)	93,838	44,541	(44,541)						
IDEA Part B Basic	84.027	H027A180100	IDEA542018	7/1/18-6/30/19	831,311		765,022	(44,541)	44,541	837,141		(110,830)	38,711		(72,119)
IDEA Part B, Preschool	84.173	H173A170114	IDEA542017	7/1/17-6/30/18	49,656	(12,525)	12,525	36,647	(36,647)						
IDEA Part B, Preschool	84.173	H173A180114	IDEA542018	7/1/18-6/30/19	50,210		32,865	(36,647)	36,647	79,870		(53,992)	6,987		(47,005)
Special Education IDEA Cluster						(96,002)	904,250			917,011		(164,822)	45,698	10,361	(119,124)
National Clean Diesel Rebate Program	66.039	N/A	N/A	1/1/19-12/31/19	100,000					100,000		(100,000)			(100,000)
Total Special Revenue Fund						(241,190)	1,305,774			1,418,154		(519,059)	154,731	10,758	(364,328)
U.S. Department of Agriculture															
Passed-through State Department of Education															
Enterprise Fund:															
Food Distribution Program (Non-Cash Assistance)	10.555	191NJ304N109	N/A	7/1/18-6/30/19	54,328	1,617	54,328			55,945					
National School Lunch Program (Cash Assistance)	10.555	191NJ304N109	N/A	7/1/18-6/30/19	208,960		196,902			208,960		(12,058)			(12,058)
National School Lunch Program (Cash Assistance)	10.555	181NJ304N109	N/A	7/1/17-6/30/18	198,036	(8,343)	8,343								
School Breakfast Program	10.553	191NJ304N109	N/A	7/1/18-6/30/19	22,855		20,842			22,855		(2,013)			(2,013)
School Breakfast Program	10.553	181NJ304N109	N/A	7/1/17-6/30/18	10,980	(695)	695								
Total National School Lunch Program Cluster						(7,421)	281,110			287,760		(14,071)			(14,071)
U.S. Department of Health and Human Services															
Passed-through State Department of Education															
General Fund															
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	7/1/18-6/30/19	42,136		42,136			42,136					
Total Medical Assistance Program (SEMI) Cluster							42,136			42,136					
Total General Fund							42,136			42,136					
Total Federal Financial Awards						\$ (248,611)	\$ 1,629,020	\$ -	\$ -	\$ 1,748,050	\$ -	\$ (533,130)	\$ 154,731	\$ 10,758	\$ (378,399)

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018	Cash Received	Budgetary Expenditures	Returned to Grantor	Revenue Adjustment	Balance, June 30, 2019			MEMO		
									(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	\$ 769,076	\$ (74,255)	\$ 74,255									
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	1,204,850		1,088,088	\$ 1,204,850			\$ (116,762)				\$ 1,204,850	
Nonpublic Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	39,076	(39,076)	39,076									
Nonpublic Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	58,892			58,892			(58,892)			\$ (58,892)	58,892	
Total Transportation Aid Cluster				(113,331)	1,201,419	1,263,742			(175,654)			(58,892)	1,263,742	
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	2,484,152	(239,849)	239,849									
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	2,484,152		2,243,412	2,484,152			(240,740)				2,484,152	
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	341,937	(33,014)	33,014									
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	341,937		308,800	341,937			(33,137)				341,937	
Adjustment Aid	18-495-034-5150-085	7/1/17-6/30/18	15,712	(1,517)	1,517									
Professional Learning Community Aid	18-495-034-5150-101	7/1/17-6/30/18	35,100	(3,389)	3,389									
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	35,095	(3,388)	3,388									
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	35,095	(3,388)	3,388									
State Aid - Public - Cluster				(284,545)	2,836,757	2,826,089			(273,877)				2,826,089	
Extraordinary Aid	18-100-034-5120-473	7/1/17-6/30/18	304,363	(303,185)	304,363	1,178							1,178	
Extraordinary Aid	19-100-034-5120-473	7/1/18-6/30/19	453,521			453,521			(453,521)				453,521	
On Behalf TPAF Pension System Contribution	19-495-034-5094-006	7/1/18-6/30/19	5,596,234		5,596,234	5,596,234							5,596,234	
On Behalf TPAF Pension System Contribution	19-495-034-5094-007	7/1/18-6/30/19	117,144		117,144	117,144							117,144	
On Behalf TPAF Pension System Contribution	19-495-034-5094-007	7/1/18-6/30/19	7,184		7,184	7,184							7,184	
On Behalf TPAF Pension System Contribution	19-100-034-5094-001	7/1/18-6/30/19	2,591,579		2,591,579	2,591,579							2,591,579	
Post Retirement Medical	18-495-034-5094-003	7/1/17-6/30/18	2,270,032	(109,615)	109,615									
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	2,267,651		2,155,692	2,267,651			(111,959)			(111,959)	2,267,651	
Total General Fund			(810,676)	14,919,987	15,124,322				(1,015,011)			(170,851)	15,124,322	
Special Revenue Fund:														
New Jersey Nonpublic Aid														
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	8,536		8,536	7,699					\$ 837		7,699	
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	11,252	2,607		\$ 2,607								
Technology	19-100-034-5120-373	7/1/18-6/30/19	3,168		3,168	3,088					80		3,088	
Technology	18-100-034-5120-373	7/1/17-6/30/18	4,403	45		45								
Textbooks	19-100-034-5120-064	7/1/18-6/30/19	4,699		4,699	4,425					274		4,425	
Textbooks	18-100-034-5120-064	7/1/17-6/30/18	6,518	1,095		1,095								
Security	19-100-034-5120-509	7/1/18-6/30/19	13,200		13,200	12,709					491		12,709	
Security	18-100-034-5120-509	7/1/17-6/30/18	8,925	568		568								
Auxiliary Services (Chap. 192)														
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	7,614		7,614	2,027					5,587		2,027	
Transportation	19-100-034-5120-068	7/1/18-6/30/19	5,950		5,950						5,950			
Auxiliary Services - Cluster					13,564	2,027					11,537		2,027	
Handicapped Services (Chap. 193)														
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	9,463		9,463	447					9,016		447	
Corrective Speech	18-100-034-5120-066	7/1/18-6/30/19	8,928		8,928	8,086					842		8,086	
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	15,178	8,035		8,035								
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	6,344		6,344	1,107					5,237		1,107	
Handicapped Services - Cluster				8,035	24,735	9,640	8,035					15,095	9,640	
Advanced Computer Science Grant	19-CZ01-G06	1/15/19-6/30/20	41,899			30,477			(41,899)	\$ 11,422		(30,477)	30,477	
Total Special Revenue Fund				12,350	67,902	70,065	12,350		(41,899)	11,422	28,314	(30,477)	70,065	
Capital Projects Fund														
Front Entrance Modification- Primary	5420-078-14-1030-G04	7/1/13-6/30/15	6,000	(5,666)	5,942			\$ 276					5,666	
Front Entrance Modification- West Belmar	5420-080-14-1038-G04	7/1/13-6/30/15	15,000	(14,012)	14,308								14,308	
Front Entrance Modification- Old Mill	5420-077-14-1029-G04	7/1/13-6/30/15	30,000	(20,700)	24,945								26,868	
Front Entrance Modification- Central	5420-070-14-1020-G04	7/1/13-6/30/15	30,000	(19,064)	23,310								27,135	
Front Entrance Modification- Allenwood	5420-060-14-1014-G04	7/1/13-6/30/14	41,500	(30,622)	38,585								36,094	
Front Entrance Modification- Wall Intermediate	5420-075-14-1021-G04	7/1/13-6/30/15	37,600	(25,220)	27,116								33,345	
Front Entrance Modification- High School	5420-050-14-1009-G04	7/1/13-6/30/15	30,000	(27,640)	27,467						(173)		29,935	
HVAC- West Belmar	5420-080-14-1006-G04	7/1/13-6/30/15	93,600	(56,642)	68,039						11,397		57,842	
Emergency Generators- Primary	5420-078-14-1004-G04	7/1/13-6/30/15	81,920	(25,400)	30,329								26,400	
Emergency Generators- West Belmar	5420-080-14-1005-G04	7/1/13-6/30/15	81,920	(32,953)	39,082						6,129		35,153	
Emergency Generators- Central	5420-077-14-1003-G04	7/1/13-6/30/15	81,920	(34,153)	39,082								35,153	
Emergency Generators- Old Mill	5420-070-14-1002-G04	7/1/13-6/30/15	81,920	(27,600)	31,529								27,600	
Emergency Generators- Allenwood	5420-060-14-1001-G04	7/1/13-6/30/14	81,920	(34,154)	39,083				4,929				39,153	

The Notes to the Schedules of Federal Awards and State Financial Assistance are an Integral Part of the Statement

WALL TOWNSHIP BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2018	Cash Received	Budgetary Expenditures	Returned to Grantor	Revenue Adjustment	Balance, June 30, 2019			GAAP Accounts Receivable	Cumulative Total Expenditures
									(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Security Upgrades- Primary	5420-078-14-1031-G04	7/1/14-6/30/15	\$ 34,000	\$ (12,345)	\$ 12,304			\$ (41)				\$ -	\$ 13,600
Security Upgrades- Allenwood	5420-060-14-1015-G04	7/1/14-6/30/15	78,000	(30,550)	30,508			(42)				-	31,200
Security Upgrades- Central	5420-070-14-1016-G04	7/1/14-6/30/15	88,000	(34,323)	34,282			(41)				-	35,200
Security Upgrades- Old Mill	5420-077-14-1026-G04	7/1/14-6/30/15	71,000	(27,490)	27,448			(42)				-	28,400
Security Upgrades- West Belmar	5420-080-14-1035-G04	7/1/14-6/30/15	87,000	(34,011)	33,970			(41)				-	34,800
Security Upgrades-Wall Intermediate	5420-075-14-1025-G04	7/1/14-6/30/15	126,000	(49,919)	49,879			(40)				-	50,400
Security Upgrades- High School	5420-050-14-1007-G04	7/1/14-6/30/15	160,000	(63,872)	64,000			128				-	64,000
Roof Replacement-Primary	5420-078-14-1032-G04	7/1/14-6/30/15	200,000	(66,634)	66,634			-				-	80,000
Roof Replacement-Allenwood	5420-060-14-1013-G04	7/1/14-6/30/15	75,000	(25,622)	25,622			-				-	30,000
Roof Replacement-Central	5420-070-14-1018-G04	7/1/14-6/30/15	390,000	(82,317)	82,317			-				-	156,000
Roof Replacement-West Belmar	5420-080-14-1039-G04	7/1/14-6/30/15	69,000	(24,710)	24,710			-				-	27,600
Phone System- Primary	5420-078-14-1033-G04	7/1/15-6/30/16	2,520	(2,469)				\$ (51)	\$ 51		\$ (2,520)		2,469
Phone System- Allenwood	5420-060-14-1011-G04	7/1/15-6/30/16	17,600	(17,248)				(352)	352		(17,600)		17,248
Phone System- Central	5420-070-14-1017-G04	7/1/15-6/30/16	19,600	(19,209)				(391)	391		(19,600)		19,209
Phone System- Old Mill	5420-077-14-1040-G04	7/1/15-6/30/16	19,800	(19,404)				(396)	396		(19,800)		19,404
Phone System- West Belmar	5420-080-14-1034-G04	7/1/15-6/30/16	14,000	(13,720)				(280)	280		(14,000)		13,720
Phone System-Wall Intermediate	5420-075-14-1024-G04	7/1/15-6/30/16	44,000	(43,120)				(880)	880		(44,000)		43,120
Phone System- High School	5420-050-14-1010-G04	7/1/15-6/30/16	65,800	(64,484)				(1,316)	1,316		(65,800)		64,484
Public Address System- Allenwood	5420-060-14-1012-G04	7/1/15-6/30/16	75,200	(73,696)				(1,504)	1,504		(75,200)		73,696
Public Address System- Central	5420-070-14-1019-G04	7/1/15-6/30/16	84,000	(82,320)				(1,680)	1,680		(84,000)		82,320
Public Address- Old Mill	5420-077-14-1028-G04	7/1/15-6/30/16	84,000	(82,320)				(1,680)	1,680		(84,000)		82,320
Public Address System- West Belmar	5420-080-14-1036-G04	7/1/15-6/30/16	60,000	(58,800)				(1,200)	1,200		(60,000)		58,800
Public Address System-Wall Intermediate	5420-075-14-1023-G04	7/1/15-6/30/16	189,200	(185,416)				(3,784)	3,784		(189,200)		185,416
Public Address System- High School	5420-050-14-1008-G04	7/1/15-6/30/16	280,800	(275,184)				(5,616)	5,616		(280,800)		275,184
Total Capital Projects Fund				(1,743,009)	860,491	-	-	54,872	(956,520)	19,130	-	(956,520)	1,883,768
Debt Service Fund													
Debt Service Aid State Support	19-495-034-5120-075	7/1/18-6/30/19	746,539	-	\$ 746,539	\$ 746,539	-	-	-	-	-	-	746,539
Total Debt Service Fund					746,539	746,539	-	-	-	-	-	-	746,539
State Department of Agriculture Enterprise Fund:													
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	8,757	(377)	377			-	-		-	-	-
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	9,091	-	8,535	9,091	-	-	(556)	-	-	(556)	9,091
Total Enterprise Fund				(377)	8,912	9,091	-	-	(556)	-	-	(556)	9,091
Total State Financial Assistance				\$ (2,541,712)	\$ 16,603,831	\$ 15,950,017	\$ 12,350	\$ 54,872	\$ (2,013,986)	\$ 30,552	\$ 28,314	\$ (1,158,404)	\$ 17,833,785
State Financial Assistance Not Subject to Single Audit Determination General Fund:													
On-Behalf TPAF Pension System Contribution					\$ (5,720,562)	\$ (5,720,562)							\$ (5,720,562)
On-Behalf TPAF Post-Retirement Med. Contrib.					(2,591,579)	(2,591,579)							(2,591,579)
Total State Financial Assistance				\$ (2,541,712)	\$ 8,291,690	\$ 7,637,876	\$ 12,350	\$ 54,872	\$ (2,013,986)	\$ 30,552	\$ 28,314	\$ (1,158,404)	\$ 9,521,644

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Wall Township Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal 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 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$182,175 for the general fund and a decrease of \$104,380 for the special revenue fund. See the Notes to Required Supplementary Information 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 revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 42,136	\$ 14,942,147	\$ 14,984,283
Special Revenue Fund	1,327,265	64,102	1,391,367
Capital Projects Fund		54,872	54,872
Debt Service Fund		746,539	746,539
Food Service Fund	286,143	9,091	295,234
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 1,655,544</u>	<u>\$ 15,816,751</u>	<u>\$ 17,472,295</u>

**WALL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,267,651 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$5,713,378 , TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,591,579 and TPAF Long-Term Disability Insurance in the amount of \$7,184 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Part I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified
Internal control over financial reporting:
1) Material weakness(es) identified? yes no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes none reported
Noncompliance material to the basic financial statements noted? yes no

Federal Awards Section

Internal Control over compliance:
1) Material weakness(es) identified? yes no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes none reported
Type of auditor's report on compliance for major programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance yes no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Includes entries for IDEA Part B, Basic and IDEA Part B, Preschool.

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award Findings and 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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award Findings and 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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2019-001:

Our audit of the District Report of Transported Resident Students (DRTRS) revealed that in certain instances, required transportation or special transportation needs were not specified in students' Individualized Education Plan (IEP).

Information on the State Program:

Transportation Aid.

Criteria or specific requirement

N.J. Department of Education – Specific Grant Compliance for Transportation Aid

Condition:

See Finding 2019-001.

Questioned Costs:

Unknown.

Context:

In five (5) instances, transportation needs were not indicated as a special need in student's Individualized Educational Plan (IEP).

Effect

Possible reduction in State aid.

Cause:

Unknown.

Recommendation:

Internal controls be enhanced to ensure the District Report of Transported Resident Students is in agreement with supporting documentation.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action has been taken.

**WALL TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award Findings and 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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2019-002:

Our audit noted the TPAF reimbursement to the State was not made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management.

State Program Information:

Reimbursed TPAF Social Security Contributions	495-034-5094-003
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Criteria or Specific Requirement

State of New Jersey Grant Compliance Supplement

Condition:

See Finding 2019-002.

Questioned Costs:

None.

Context

See Finding 2019-002

Effect

The District did not remit the reimbursement to the State within the 90 day liquidation period.

Recommendation

The TPAF reimbursement to the State be made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management.

Views of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated they will review and revise their procedures to ensure corrective action is taken.

**WALL TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2018-001:

Our audit of the District Report of Transported Resident Students (DRTRS) revealed that in certain instances, special transportation needs were not specified in the students' Individualized Education Plan (IEP).

Current Status

See Finding 2019-001.