

RESOLUTION  
2016/2017 AUDIT

WHEREAS, the firm of Lerch, Vinci & Higgins has prepared an audit for the Wall Township School District from July 1, 2016 through June 30, 2017; 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 Regular meeting of the Board of Education of the Township of Wall on December 19, 2017, 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 2016/2017 audit as presented, along with the list of recommendations.

**2016/2017 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. Board Secretary's Records:

General ledger balances be reconciled to the subsidiary records and supporting documentation on a monthly basis.

7. Treasurer's Records: No recommendation
8. Unemployment Compensation Insurance Trust Fund: No recommendation
9. NCLB/IDEIA: No recommendation
10. Other Special Federal and/or State Projects: No recommendation
11. T.P.A.F. Reimbursements: No recommendation
12. T.P.A.F. Reimbursements to the State for Federal Salary Expenditures: No recommendation
13. Nonpublic State Aid: No recommendation

**III. School Purchasing Programs:**

1. Contracts and Agreements Requiring Advertisement for Bids: No recommendation

**IV. School Food Service:** No recommendation**V. Before and After School Programs:** No recommendation**VI. Student Body Activities:**

It is recommended that all checks issued from the High School Athletic bank account contain at least two authorized signatures.

**VII. Application for State School Aid:** No recommendation**VIII. Pupil Transportation:** No recommendation**IX. Facilities and Capital Assets:**

It is recommended that the district review the outstanding SDA projects in the Capital Projects Fund and take appropriate action to close out all completed project grant account balances and collect eligible grant funds.

**X. Miscellaneous:** No recommendation**XI. Status of Prior Years' Audit Findings/Recommendations:**

A review was performed on all prior years' recommendations and corrective action was taken on all.

AUDIT RESPONSE  
2016/2017

WHEREAS, the firm of Lerch, Vinci & Higgins has prepared an audit for the Wall Township Board of Education from July 1, 2016 through June 30, 2017; 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 2016-2017

COUNTY: MONMOUTH

WALL TOWNSHIP  
Regular  
December 19, 2017  
Brian J. Smyth  
(732) 556-2016

RECOMMENDATION NUMBER	CORRECTIVE ACTION APPROVED BY THE BOARD	METHOD OF IMPLEMENTATION	PERSON RESPONSIBLE FOR IMPLEMENTATION	COMPLETION DATE OF IMPLEMENTATION
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II.6.	Reconcile general ledger balances to subsidiary records and supporting documentation each month.	The Accounting Manager will reconcile general ledger balances to subsidiary records and supporting documentation each month.	Agnese Brattoli	12/31/2017
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VI.	High School Athletic checks will be mailed from the location of the second signor.	High School Athletic checks will be mailed from the Business Office after receiving the signature of the Accounting Manager as the second signor.	Agnese Brattoli	12/31/2017
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IX.	Review the outstanding SDA projects in the Capital Projects Fund and take appropriate action to close out all completed project grant account balances and collect eligible grant funds.	Certify completed Capital Projects and submit to the NJSDA for substantial and final payment.	Brian J. Smyth	6/30/2018
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Cheryl Dyer  
CHIEF SCHOOL ADMINISTRATOR

*Cheryl Dyer*

12-20-17  
DATE

Brian J. Smyth  
SCHOOL BUSINESS ADMINISTRATOR  
BOARD SECRETARY

*Brian J. Smyth*

12/20/17  
DATE

Cc: County Superintendent

**WALL TOWNSHIP BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017**

**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**

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November 15, 2017

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, 2017 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, 2017 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 2016/2017 school year, as of October 15, 2016, was 3,460 students which is 146 students below the previous year's enrollment.

**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 2016-2017 budget was an increase of 1.03% over the prior year budget with the Operating Budget totaling \$ 68,344,000. The budget included capital project funds for the replacement of stadium bleachers at the Wall High School.

**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, 2017.

**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, 2017 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 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.

## **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 3. 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:**

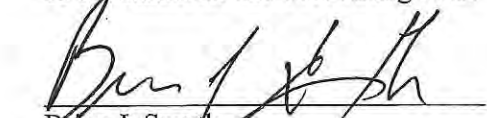
A. Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also 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**

The 2% cap and additional anticipated legislative reforms will continue to have a significant impact on development of future budgets. The culmination of stagnant state aid increases; reduced Township tax base; and restrictions on tax levy increases will continue to impact the District's ability to enhance programs and facilities within the annual budget.

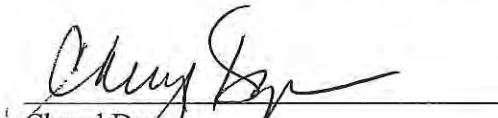
**12. ACKNOWLEDGEMENTS:**

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.



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Brian J. Smyth  
Business Administrator

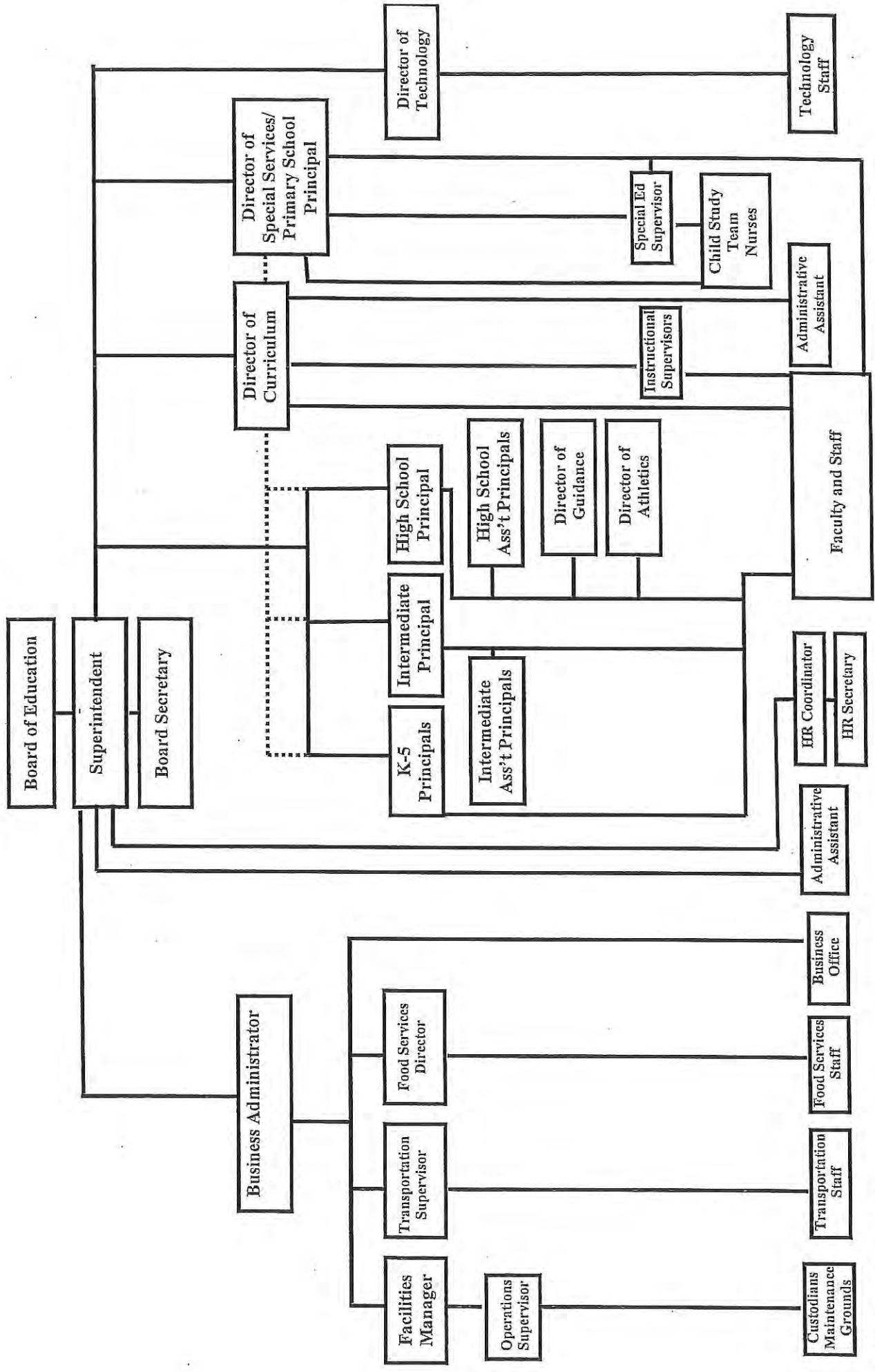


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Cheryl Dyer  
Superintendent of Schools

# Wall Township Public Schools

## Organizational Chart



REVISED: July 15, 2014  
 As defined by job descriptions

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



**WALL TOWNSHIP BOARD OF EDUCATION**

**WALL, NEW JERSEY**

**ROSTER OF OFFICIALS**

**June 30, 2017**

**Members of the Board of Education**

**Term Expires**

Allison Connolly - President	January 2018
Robin Zawodniak – Vice President	January 2019
Ralph Addonizio	January 2020
Ernest Bongiovanni	January 2019
Eric Brophy	January 2020
Robin Lynch	January 2018
Michael McArthur	January 2019
Jeffrey Seidel	January 2018

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**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**

**Architect**

Fraytak Veisz Hopkins Duthie, P.C.  
1515 Lower Ferry Road  
Trenton, NJ 08618

**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**

Gallagher Benefit Services, Inc.  
501 Fellowship Road  
Mount Laurel, NJ 08054

**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

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**FINANCIAL SECTION**

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# 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  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
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, 2017 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, 2017, 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 and pension 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.

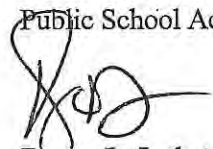
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2017 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  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
November 15, 2017

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## **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, 2017**

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, 2017. 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 (2016-2017) and the prior year (2015-2016) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2016-2017 fiscal year include the following:

- The liabilities and deferred inflows of resources of the Wall Township Board of Education exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$1,602,922 (deficit net position).
- Overall revenues were \$96,354,879. General revenues accounted for \$65,850,020 or 68% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$30,504,859 or 32% of total revenues.
- The school district had \$93,567,486 in expenses for governmental activities; only \$28,558,831 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$65,850,020 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 \$7,597,428.
- The General Fund fund balance at June 30, 2017 was \$7,208,853, an increase of \$1,296,635 when compared with the beginning balance at July 1, 2016 of \$5,912,218.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

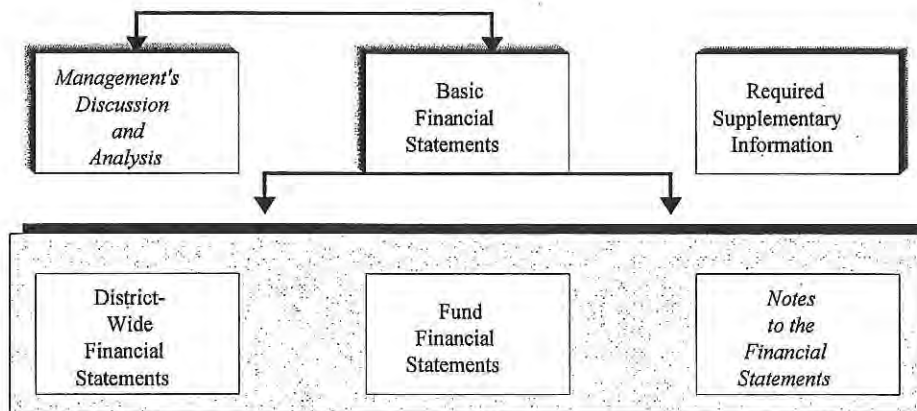
**OVERVIEW OF THE FINANCIAL STATEMENTS**

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, 2017**

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 thereafter; 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, 2017**

**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, 2017**

**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. 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,602,922 (deficit net position) as of June 30, 2017. The deficit in net position 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, 2017**

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, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>						
Current Assets	\$ 12,419,100	\$ 12,429,590	\$ 215,023	\$ 151,406	\$ 12,634,123	\$ 12,580,996
Capital Assets, Net	<u>37,454,915</u>	<u>36,588,940</u>	<u>85,760</u>	<u>96,696</u>	<u>37,540,675</u>	<u>36,685,636</u>
<b>Total Assets</b>	<u>49,874,015</u>	<u>49,018,530</u>	<u>300,783</u>	<u>248,102</u>	<u>50,174,798</u>	<u>49,266,632</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Refunding of Debt	263,283	335,182	-	-	263,283	335,182
Deferred Amounts on Net Pension Liability	<u>11,844,564</u>	<u>4,261,894</u>	<u>-</u>	<u>-</u>	<u>11,844,564</u>	<u>4,261,894</u>
<b>Total Deferred Outflows of Resources</b>	<u>12,107,847</u>	<u>4,597,076</u>	<u>-</u>	<u>-</u>	<u>12,107,847</u>	<u>4,597,076</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>61,981,862</u>	<u>53,615,606</u>	<u>300,783</u>	<u>248,102</u>	<u>62,282,645</u>	<u>53,863,708</u>
<b>Liabilities</b>						
Long-Term Liabilities	58,651,743	50,576,368			58,651,743	50,576,368
Other Liabilities	<u>5,170,123</u>	<u>5,287,162</u>	<u>33,966</u>	<u>54,574</u>	<u>5,204,089</u>	<u>5,341,736</u>
<b>Total Liabilities</b>	<u>63,821,866</u>	<u>55,863,530</u>	<u>33,966</u>	<u>54,574</u>	<u>63,855,832</u>	<u>55,918,104</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts of Net Pension Liability	<u>29,735</u>	<u>463,180</u>	<u>-</u>	<u>-</u>	<u>29,735</u>	<u>463,180</u>
<b>Total Deferred Inflows of Resources</b>	<u>29,735</u>	<u>463,180</u>	<u>-</u>	<u>-</u>	<u>29,735</u>	<u>463,180</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>63,851,601</u>	<u>56,326,710</u>	<u>33,966</u>	<u>54,574</u>	<u>63,885,567</u>	<u>56,381,284</u>
<b>Net Position</b>						
Net Investment in Capital Assets	20,289,759	17,202,958	85,760	96,696	20,375,519	17,299,654
Restricted	6,045,607	5,712,617			6,045,607	5,712,617
Unrestricted	<u>(28,205,105)</u>	<u>(25,626,679)</u>	<u>181,057</u>	<u>96,832</u>	<u>(28,024,048)</u>	<u>(25,529,847)</u>
<b>Total Net Position</b>	<u>\$ (1,869,739)</u>	<u>\$ (2,711,104)</u>	<u>\$ 266,817</u>	<u>\$ 193,528</u>	<u>\$ (1,602,922)</u>	<u>\$ (2,517,576)</u>

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**Change in Net Position  
For The Fiscal Years Ended June 30, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 645,782	\$ 455,645	\$ 1,663,311	\$ 1,577,800	\$ 2,309,093	\$ 2,033,445
Operating Grants and Contributions	27,095,553	21,150,066	282,717	271,487	27,378,270	21,421,553
Capital Grants and Contributions	817,496	35,109			817,496	35,109
General Revenues						
Property Taxes	65,116,918	63,416,527			65,116,918	63,416,527
State Aid	460,086	497,916			460,086	497,916
Other	273,016	363,208	-	-	273,016	363,208
<b>Total Revenues</b>	<b>94,408,851</b>	<b>85,918,471</b>	<b>1,946,028</b>	<b>1,849,287</b>	<b>96,354,879</b>	<b>87,767,758</b>
<b>Expenses</b>						
Instruction						
Regular	37,630,745	33,698,651			37,630,745	33,698,651
Special Education	17,072,291	15,035,647			17,072,291	15,035,647
Vocational Education	593,542	590,722			593,542	590,722
Other Instruction	1,651,386	1,609,390			1,651,386	1,609,390
School Sponsored Cocurricular/Athletics	2,036,227	1,788,657			2,036,227	1,788,657
Support Services						
Student and Instruction Related Services	11,073,493	9,982,279			11,073,493	9,982,279
School Administrative Services	5,172,594	4,729,551			5,172,594	4,729,551
General Administrative Services	2,374,618	2,199,742			2,374,618	2,199,742
Plant Operations and Maintenance	8,476,832	7,452,065			8,476,832	7,452,065
Pupil Transportation	5,644,337	5,036,208			5,644,337	5,036,208
Business/Central and Other Support Services	1,428,365	1,582,559			1,428,365	1,582,559
Interest on Long-Term Debt	413,056	866,935			413,056	866,935
Food Service			1,489,665	1,484,453	1,489,665	1,484,453
After School Prep Programs	-	-	383,074	303,791	383,074	303,791
<b>Total Expenses</b>	<b>93,567,486</b>	<b>84,572,406</b>	<b>1,872,739</b>	<b>1,788,244</b>	<b>95,440,225</b>	<b>86,360,650</b>
<b>Change in Net Position</b>	<b>841,365</b>	<b>1,346,065</b>	<b>73,289</b>	<b>61,043</b>	<b>914,654</b>	<b>1,407,108</b>
<b>Net Position, Beginning of Year</b>	<b>(2,711,104)</b>	<b>(4,057,169)</b>	<b>193,528</b>	<b>132,485</b>	<b>(2,517,576)</b>	<b>(3,924,684)</b>
<b>Net Position, End of Year</b>	<b>\$ (1,869,739)</b>	<b>\$ (2,711,104)</b>	<b>\$ 266,817</b>	<b>\$ 193,528</b>	<b>\$ (1,602,922)</b>	<b>\$ (2,517,576)</b>

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$94,408,851 for the year ended June 30, 2017, an increase of \$8,490,380 or 10 percent increase from



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

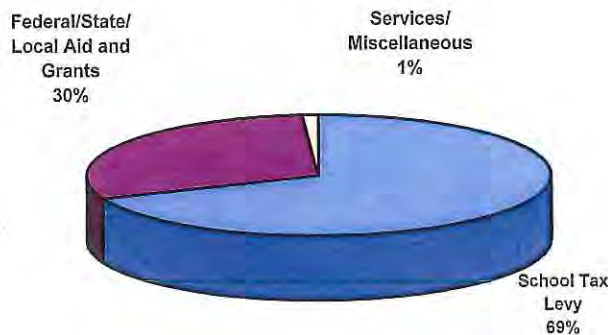
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

the previous year. A large portion of this increase is attributable to the adjustment to the on-behalf TPAF contribution 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 \$13,387,330 compared to the prior year adjustment of \$8,557,566. Property taxes of \$65,116,918 represented 69% of revenues. Another portion of revenues came from State, Federal and Local aid; total State, Federal and local aid was \$28,373,135. Charges for services such as tuition and rentals were \$645,782. The balance of revenues is miscellaneous income which includes items such as rentals; prior year accounts payable cancelled, prior year refunds, etc.

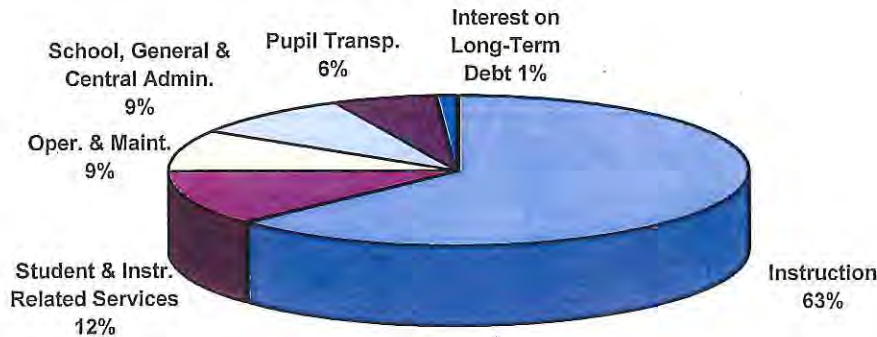
The total cost of all governmental activities programs and services was \$93,567,486. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$58,984,191 (63%) of total expenses. Student and instruction related and other support services (exclusive of interest on long-term debt) total \$34,170,239 or (36%) of total expenses. The balance of expenses were interest on long-term debt which represented 1% of total expenses.

Total governmental activities revenues exceed expenses, increasing net position \$841,365 from the previous year.

Revenues by Source- Governmental Activities  
For Fiscal Year 2017



Expenses by Type-Governmental Activities  
For Fiscal Year 2017



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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$93,567,486. After applying program revenues, derived from charges for services of \$645,782 and operating and capital grants and contributions of \$27,913,049, the net cost of services of the District is \$65,008,655.

**Total and Net Cost of Services of Governmental Activities  
For The Fiscal Years Ended June 30, 2017 and 2016**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Instruction</b>				
Regular	\$ 37,630,745	\$ 33,698,651	\$ 23,278,673	\$ 23,297,502
Special Education	17,072,291	15,035,647	8,194,977	7,655,999
Vocational Education	593,542	590,722	593,542	590,722
Other Instruction	1,651,386	1,609,390	1,033,403	1,122,462
School Sponsored Cocurricular/Athletics	2,036,227	1,788,657	1,369,578	1,328,021
<b>Support Services</b>				
Student and Instruction Related Services	11,073,493	9,982,279	10,456,550	9,461,542
School Administrative Services	5,172,594	4,729,551	4,108,683	3,920,904
General Administrative Services	2,374,618	2,199,742	2,374,618	1,857,019
Plant Operations and Maintenance	8,476,832	7,452,065	7,205,417	6,533,172
Pupil Transportation	5,644,337	5,036,208	4,848,035	5,036,208
Business and Other Support Services	1,428,365	1,582,559	1,428,365	1,582,559
Interest on Long-Term Debt	413,056	866,935	116,814	545,476
<b>Total</b>	<b><u>\$ 93,567,486</u></b>	<b><u>\$ 84,572,406</u></b>	<b><u>\$ 65,008,655</u></b>	<b><u>\$ 62,931,586</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$1,946,028 for the year ended June 30, 2017. Charges for services of \$1,663,311 accounted for 85% of total revenues. Operating grants and contributions of \$282,717 accounted for 15% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,872,739. 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 \$73,289 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, 2017**

**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 \$7,597,428. At June 30, 2016, the fund balance was \$7,530,643.

Revenues for the District's governmental funds were \$81,021,521, while total expenses were \$80,954,736, thereby increasing fund balance by \$66,785.

**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, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 62,797,547	\$ 60,945,106	\$ 1,852,441	3%
Tuition	534,055	411,075	122,980	30%
Miscellaneous	384,743	407,778	(23,035)	-6%
State/Federal Sources	<u>12,139,323</u>	<u>11,046,563</u>	<u>1,092,760</u>	10%
 Total General Fund Revenues	 <u>\$ 75,855,668</u>	 <u>\$ 72,810,522</u>	 <u>\$ 3,045,146</u>	 4%

Total General Fund Revenues increased by \$3,045,146 or 4% from the previous year.

Local property taxes increased by 3 percent over the previous year. State and federal aid revenues increased \$1,092,760 or 10%. This increase is predominantly attributed to an increase in State On-Behalf TPAF pension costs contributed by the State.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

Miscellaneous income revenues decreased by \$23,035 compared to the prior year due to non recurring reimbursements of prior year expenditures including insurance proceeds.

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

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>	Amount of Increase <u>(Decrease)</u>	Percent <u>Change</u>
Instruction	\$ 45,311,032	\$ 43,627,526	\$ 1,683,506	4%
Support Services	28,502,661	27,708,886	793,775	3%
Capital Outlay	484,671	228,201	256,470	112%
Debt Service	<u>260,669</u>	<u>150,149</u>	<u>110,520</u>	74%
Total Expenditures	<u>\$ 74,559,033</u>	<u>\$ 71,714,762</u>	<u>\$ 2,844,271</u>	4%

Total General Fund expenditures increased \$2,844,271 or 4% from the previous year. The District experienced increases in areas of instruction and capital outlay expenditures and debt service.

In 2016-2017 General Fund expenditures were less than revenues by \$1,296,635. As a result, total fund balance increased to \$7,208,853 at June 30, 2017. After deducting restrictions and assignments, the unassigned fund balance increased from \$838,479 at June 30, 2016 to \$851,602 at June 30, 2017.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**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 with special needs.

Revenues of the Special Revenue Fund were \$1,288,380, for the year ended June 30, 2017. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 94% of the total revenue for the year.

Total Special Revenue Fund revenues increased by \$45,858 from the previous year. State sources increased \$2,529, Federal sources increased \$55,696 and local sources decreased by \$12,367.

Expenditures of the Special Revenue Fund were also \$1,288,380. Instructional expenditures were \$1,200,949 or 93%. Expenditures for the student and instructional related support services were \$87,431 or 7% of total expended for the year ended June 30, 2017.

**Capital Projects** – The Capital Projects revenues were less than expenditures by \$1,229,850 decreasing fund balance to \$386,362 at June 30, 2017. The District is undertaking various improvements throughout the entire district, which began in 2015/16 and will continue into the 2017/18 year. These projects are being partially locally funded by budget appropriation as well as SDA grants awarded by the State of New Jersey.

**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.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017**

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$37,540,675 (net of accumulated depreciation). The capital assets consist of land, land improvements, construction in progress, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2016-17 amounted to \$1,665,162 for governmental activities and \$13,011 for business-type activities.

Capital Assets at June 30, 2017 and 2016  
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 534,652	\$ 534,652			\$ 534,652	\$ 534,652
Construction in Progress	2,168,161	-			2,168,161	-
Building and Building Improvements	32,970,563	34,054,409			32,970,563	34,054,409
Improvements other than Buildings	445,977	543,929			445,977	543,929
Machinery and Equipment	<u>1,335,562</u>	<u>1,455,950</u>	<u>\$ 85,760</u>	<u>\$ 96,696</u>	<u>1,421,322</u>	<u>1,552,646</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 37,454,915</u></b>	<b><u>\$ 36,588,940</u></b>	<b><u>\$ 85,760</u></b>	<b><u>\$ 96,696</u></b>	<b><u>\$ 37,540,675</u></b>	<b><u>\$ 36,685,636</u></b>

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

**LONG TERM LIABILITIES**

At year end, the District's long-term liabilities consisted of compensated absences payable of \$1,513,474, capital leases payable of \$374,801, bonds payable of \$17,740,000 and net pension liability of \$37,394,830.

Additional information of the District's long-term liabilities is 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, 2017**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Wall Township Public School District 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 2016/2017 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, 92% of total revenue is from local tax levy, and 2% 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 2017/2018 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 Public School District 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, 18<sup>th</sup> Avenue, Wall, NJ 07719.

**BASIC FINANCIAL STATEMENTS**



**WALL TOWNSHIP BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,315,250	\$ 198,983	\$ 8,514,233
Receivables, net	2,365,970	13,479	2,379,449
Inventory		2,561	2,561
Restricted			
Cash with Fiscal Agents	1,737,880		1,737,880
Capital Assets			
Not Being Depreciated	2,702,813		2,702,813
Being Depreciated, Net	<u>34,752,102</u>	<u>85,760</u>	<u>34,837,862</u>
Total Assets	<u>49,874,015</u>	<u>300,783</u>	<u>50,174,798</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	263,283	-	263,283
Deferred Amounts on Net Pension Liability	<u>11,844,564</u>	<u>-</u>	<u>11,844,564</u>
Total Deferred Outflows of Resources	<u>12,107,847</u>	<u>-</u>	<u>12,107,847</u>
Total Assets and Deferred Outflows of Resources	<u>61,981,862</u>	<u>300,783</u>	<u>62,282,645</u>
<b>LIABILITIES</b>			
Accounts Payable	2,752,699		2,752,699
Accrued Interest Payable	348,451		348,451
Payable to Government	4,656		4,656
Unearned Revenue	326,437	33,966	360,403
Accrued Liability for Insurance Claims	1,737,880		1,737,880
Noncurrent Liabilities			
Due Within One Year	2,516,985		2,516,985
Due Beyond One Year	<u>56,134,758</u>	<u>-</u>	<u>56,134,758</u>
Total Liabilities	<u>63,821,866</u>	<u>33,966</u>	<u>63,855,832</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>29,735</u>	<u>-</u>	<u>29,735</u>
Total Deferred Inflows of Resources	<u>29,735</u>	<u>-</u>	<u>29,735</u>
Total Liabilities and Deferred Inflows of Resources	<u>63,851,601</u>	<u>33,966</u>	<u>63,885,567</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,289,759	85,760	20,375,519
Restricted for			
Capital Projects	5,241,607		5,241,607
Other - Maintenance	804,000		804,000
Unrestricted	<u>(28,205,105)</u>	<u>181,057</u>	<u>(28,024,048)</u>
Total Net Position	<u>\$ (1,869,739)</u>	<u>\$ 266,817</u>	<u>\$ (1,602,922)</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, 2017**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 37,630,745	\$ 498,271	\$ 13,853,801		\$ (23,278,673)	\$	\$ (23,278,673)
Special Education	17,072,291	35,784	8,841,530		(8,194,977)		(8,194,977)
Vocational Education	593,542				(593,542)		(593,542)
Other Instruction	1,651,386		617,983		(1,033,403)		(1,033,403)
School Sponsored Cocurricular/Athletic Support Services	2,036,227		666,649		(1,369,578)		(1,369,578)
Student and Instruction Related Services	11,073,493		616,943		(10,456,550)		(10,456,550)
School Administrative Services	5,172,594		1,063,911		(4,108,683)		(4,108,683)
General Administrative Services	2,374,618				(2,374,618)		(2,374,618)
Plant Operations and Maintenance	8,476,832	111,727	342,192	\$ 817,496	(7,205,417)		(7,205,417)
Pupil Transportation	5,644,337		796,302		(4,848,035)		(4,848,035)
Business/Central and Other Support Services	1,428,365				(1,428,365)		(1,428,365)
Interest on Long-Term Debt	413,056		296,242		(116,814)		(116,814)
Total Governmental Activities	93,567,486	645,782	27,095,553	817,496	(65,008,655)		(65,008,655)
<b>Business-Type Activities</b>							
Food Service	1,489,665	1,258,939	282,717			\$ 51,991	51,991
Before and After School Programs	383,074	404,372				21,298	21,298
Total Business-Type Activities	1,872,739	1,663,311	282,717			73,289	73,289
Total Primary Government	\$ 95,440,225	\$ 2,309,093	\$ 27,378,270	\$ 817,496	(65,008,655)	73,289	(64,935,366)

(Continued)

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, 2017

		<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Carried Forward	\$ (65,008,655)	\$ 73,289	\$ (64,935,366)
<b>General Revenues:</b>			
Taxes:			
Property Taxes, Levied for General Purposes	62,797,547		62,797,547
Property Taxes, Levied for Debt Service	2,319,371		2,319,371
State Aid Restricted for Debt Service Principal	444,364		444,364
State Aid- Unrestricted	15,722		15,722
Investment Earnings	7,995		7,995
Miscellaneous Income	265,021	-	265,021
Total General Revenues	<u>65,850,020</u>	<u>-</u>	<u>65,850,020</u>
Change in Net Position	841,365	73,289	914,654
Net Position, Beginning of Year	<u>(2,711,104)</u>	<u>193,528</u>	<u>(2,517,576)</u>
Net Position, End of Year	<u>\$ (1,869,739)</u>	<u>\$ 266,817</u>	<u>\$ (1,602,922)</u>

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**FUND FINANCIAL STATEMENTS**

**WALL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 8,313,037			\$ 2,213	\$ 8,315,250
Cash with Fiscal Agents	1,737,880				1,737,880
Receivables From Other Governments	134,527	\$ 244,207	\$ 1,902,898		2,281,632
Other Receivables	81,816	2,522			84,338
Due from Other Funds	<u>1,422,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,422,122</u>
Total Assets	<u>\$ 11,689,382</u>	<u>\$ 246,729</u>	<u>\$ 1,902,898</u>	<u>\$ 2,213</u>	<u>\$ 13,841,222</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 2,736,861	\$ 15,838			\$ 2,752,699
Due to Other Funds		192,163	\$ 1,229,959		1,422,122
Intergovernmental Payable					
State		4,656			4,656
Unearned Revenue	5,788	34,072	286,577		326,437
Accrued Liability for Insurance Claims	<u>1,737,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,737,880</u>
Total Liabilities	<u>4,480,529</u>	<u>246,729</u>	<u>1,516,536</u>	<u>-</u>	<u>6,243,794</u>
<b>Fund Balances</b>					
Restricted Fund Balance					
Capital Reserve	4,205,245				4,205,245
Capital Reserve - Designated for Subsequent Year's Expenditures (2017/18 Budget)	650,000				650,000
Maintenance Reserve	300,000				300,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2017/18 Budget)	504,000				504,000
SEMI-FY14 Cost Settlement - Designated for Subsequent Year's Expenditures (2017/18 Budget)	11,952				11,952
ARRA-SEMI - Designated for Subsequent Year's Expenditures (2017/18 Budget)	17,748				17,748
Capital Projects			386,362		386,362
Debt Service				\$ 2,213	2,213
Committed Fund Balance					
Year-End Encumbrances	554,785				554,785
Assigned Fund Balance					
Year-End Encumbrances	113,521				113,521
Unassigned Fund Balance					
General Fund	<u>851,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>851,602</u>
Total Fund Balances	<u>7,208,853</u>	<u>-</u>	<u>386,362</u>	<u>2,213</u>	<u>7,597,428</u>
Total Liabilities and Fund Balances	<u>\$ 11,689,382</u>	<u>\$ 246,729</u>	<u>\$ 1,902,898</u>	<u>\$ 2,213</u>	<u>\$ 13,841,222</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2017**

Total Fund Balance (Exhibit B-1) \$ 7,597,428

**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 \$64,620,561 and the accumulated depreciation is \$27,165,646. 37,454,915

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (348,451)

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. 263,283

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	\$ 11,844,564	
Deferred Inflows of Resources	<u>(29,735)</u>	
		11,814,829

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) (58,651,743)

**Deficit Net Position of Governmental Activities (Exhibit A-1) \$ (1,869,739)**

**WALL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 62,797,547			\$ 2,319,371	\$ 65,116,918
Tuition	498,271				498,271
Preschool Tuition	35,784				35,784
Rental Fees	111,727				111,727
Investment Earnings	7,995				7,995
Miscellaneous	265,021	\$ 10,923	-	-	275,944
<b>Total - Local Sources</b>	<b>63,716,345</b>	<b>10,923</b>	<b>-</b>	<b>2,319,371</b>	<b>66,046,639</b>
State Sources	12,084,970	61,508	\$ 817,496	740,606	13,704,580
Federal Sources	54,353	1,215,949	-	-	1,270,302
<b>Total Revenues</b>	<b>75,855,668</b>	<b>1,288,380</b>	<b>817,496</b>	<b>3,059,977</b>	<b>81,021,521</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	28,915,423	328,737			29,244,160
Special Education Instruction	12,913,893	872,212			13,786,105
Vocational Education	593,542				593,542
Other Instruction	1,266,809				1,266,809
School Sponsored Cocurricular/Athletics	1,621,365				1,621,365
Support Services					
Student & Instruction Related Services	9,303,167	87,431			9,390,598
School Administrative Services	4,208,259				4,208,259
General Administrative Services	1,089,876		880		1,090,756
Plant Operations and Maintenance	7,634,816				7,634,816
Pupil Transportation	4,914,773				4,914,773
Business and Other Support Services	1,351,770				1,351,770
Debt Service					
Principal	249,964			2,245,000	2,494,964
Interest and other charges	10,705			814,977	825,682
Capital Outlay	484,671	-	2,046,466	-	2,531,137
<b>Total Expenditures</b>	<b>74,559,033</b>	<b>1,288,380</b>	<b>2,047,346</b>	<b>3,059,977</b>	<b>80,954,736</b>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	1,296,635	-	(1,229,850)	-	66,785
<b>Net Change in Fund Balances</b>	<b>1,296,635</b>	<b>-</b>	<b>(1,229,850)</b>	<b>-</b>	<b>66,785</b>
Fund Balance, Beginning of Year	5,912,218	-	1,616,212	2,213	7,530,643
<b>Fund Balance, End of Year</b>	<b>\$ 7,208,853</b>	<b>\$ -</b>	<b>\$ 386,362</b>	<b>\$ 2,213</b>	<b>\$ 7,597,428</b>



**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, 2017**

<b>Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)</b>	<b>\$</b>	<b>66,785</b>
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the period.</p>		
Depreciation expense	\$ (1,665,162)	
Capital outlays	<u>2,531,137</u>	865,975
<p>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.</p>		
Decrease in accrued interest		39,764
<p>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)</p>		
		2,494,964
<p>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.</p>		
Amortization of Original Issue Premium	444,761	
Amortization of Deferred Amount on Refunding of Debt	<u>(71,899)</u>	372,862
<p>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.</p>		
Compensated Absences, Net	(81,893)	
Pension Expense, Net	<u>(2,917,092)</u>	<u>(2,998,985)</u>
<b>Change in Net Position of Governmental Activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>841,365</u></b>

**WALL TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2017**

	<u>Business-Type Activities-Enterprise Funds</u>		
	<u>Food Services</u>	<u>Other Non-Major Enterprise Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 124,227	\$ 74,756	\$ 198,983
Intergovernmental Accounts Receivable			
State	392		392
Federal	10,500		10,500
Accounts Receivable		2,587	2,587
Inventories	2,561	-	2,561
	<u>137,680</u>	<u>77,343</u>	<u>215,023</u>
Total Current Assets			
Capital Assets			
Machinery & Equipment	564,978		564,978
Less: Accumulated Depreciation	(479,218)	-	(479,218)
	<u>85,760</u>	<u>-</u>	<u>85,760</u>
Total Capital Assets, Net			
Total Assets	<u>223,440</u>	<u>77,343</u>	<u>300,783</u>
<b>LIABILITIES</b>			
Current Liabilities			
Unearned Revenue	33,394	572	33,966
	<u>33,394</u>	<u>572</u>	<u>33,966</u>
Total Current Liabilities			
<b>NET POSITION</b>			
Investment in Capital Assets	85,760		85,760
Unrestricted	104,286	76,771	181,057
	<u>190,046</u>	<u>76,771</u>	<u>266,817</u>
Total Net Position	<u>\$ 190,046</u>	<u>\$ 76,771</u>	<u>\$ 266,817</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, 2017**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Food Services</b>	<b>Other Non-Major Enterprise Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable	\$ 426,880		\$ 426,880
Daily Sales - Non Reimbursable	832,059		832,059
Program Fees	-	\$ 404,372	404,372
Total Operating Revenues	<u>1,258,939</u>	<u>404,372</u>	<u>1,663,311</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable	231,218		231,218
Cost of Sales - Non Reimbursable	349,190		349,190
Salaries and Employee Benefits	816,291	287,475	1,103,766
Purchased Property Services		75,900	75,900
Supplies and Materials	49,533	6,272	55,805
Purchased Professional and Technical Services	15,206		15,206
Repairs & Maintenance	11,966		11,966
Other Purchased Services		10,397	10,397
Miscellaneous Expenditures	3,250	3,030	6,280
Depreciation	13,011	-	13,011
Total Operating Expenses	<u>1,489,665</u>	<u>383,074</u>	<u>1,872,739</u>
Operating Income/(Loss)	<u>(230,726)</u>	<u>21,298</u>	<u>(209,428)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
School Lunch Program	8,140		8,140
Federal Sources			
School Breakfast Program	14,425		14,425
National School Lunch Program	212,783		212,783
Food Distribution Program	47,369	-	47,369
Total Nonoperating Revenues	<u>282,717</u>	<u>-</u>	<u>282,717</u>
Change in Net Position	51,991	21,298	73,289
Total Net Position, Beginning of Year	<u>138,055</u>	<u>55,473</u>	<u>193,528</u>
Total Net Position, End of Year	<u>\$ 190,046</u>	<u>\$ 76,771</u>	<u>\$ 266,817</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, 2017**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Food Services</b>	<b>Other Non-Major Enterprise Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 1,244,351	\$ 411,093	\$ 1,655,444
Payments to Employees' Salaries and Benefits	(816,291)	(292,342)	(1,108,633)
Payments to Suppliers for Goods and Services	(610,796)	(95,599)	(706,395)
Net Cash Provided/(Used) by Operating Activities	(182,736)	23,152	(159,584)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
State and Federal Sources	241,640	-	241,640
Net Cash Provided by Noncapital Financing Activities	241,640	-	241,640
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(2,075)	-	(2,075)
Net Cash Used For Capital and Related Financing Activities	(2,075)	-	(2,075)
Net Increase in Cash and Cash Equivalents	56,829	23,152	79,981
Cash and Cash Equivalents, Beginning of Year	67,398	51,604	119,002
Cash and Cash Equivalents, End of Year	\$ 124,227	\$ 74,756	\$ 198,983
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) by Operating Activities</b>			
Operating Income/ (Loss)	\$ (230,726)	\$ 21,298	\$ (209,428)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Depreciation	13,011		13,011
Food Distribution (USDA Commodities) National School Lunch	47,369		47,369
Change in Assets and Liabilities			
Increase/(Decrease) in Accounts Payable		(4,867)	(4,867)
(Increase)/Decrease in Accounts Receivable		7,874	7,874
Increase/(Decrease) in Unearned Revenue	(14,588)	(1,153)	(15,741)
(Increase)/Decrease in Inventories	2,198	-	2,198
Total Adjustments	47,990	1,854	49,844
Net Cash Provided/(Used) by Operating Activities	\$ (182,736)	\$ 23,152	\$ (159,584)
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	\$ 47,369		

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, 2017**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose <u>Scholarships Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 268,638	\$ 47,490	\$ 318,042
Cash Held by Trustee	-	-	4,109
Accounts Receivable	-	-	8,279
	<hr/>	<hr/>	<hr/>
Total Assets	268,638	47,490	\$ 330,430
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Intergovernmental Payable	7,925		
Payroll Deductions and Withholdings			\$ 58,944
Flexible Spending (Sect. 125) Plan			4,109
Due to Student Groups	-	-	249,476
Accounts Payable	-	-	17,901
	<hr/>	<hr/>	<hr/>
Total Liabilities	7,925	-	\$ 330,430
	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims	\$ 260,713		
Restricted for Scholarships		\$ 47,490	
	<hr/>	<hr/>	

**WALL TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarships Fund</u>
<b>ADDITIONS</b>		
Contributions		
Donations		\$ 1,550
Employee Contributions	\$ 50,064	-
Total Contributions	<u>50,064</u>	<u>1,550</u>
Investment Earnings		
Interest	-	35
Net Investment Earnings	-	35
Total Additions	<u>50,064</u>	<u>1,585</u>
<b>DEDUCTIONS</b>		
Unemployment Claims and Contributions	33,440	
Scholarships Awarded		4,000
Other	-	4
Total Deductions	<u>33,440</u>	<u>4,004</u>
Change in Net Position	16,624	(2,419)
Net Position, Beginning of Year	<u>244,089</u>	<u>49,909</u>
Net Position, End of Year	<u>\$ 260,713</u>	<u>\$ 47,490</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 programs 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 2017, the District adopted the following GASB statements:

- GASB No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 77, *Tax Abatement Disclosures*. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

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

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- 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.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- 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.

**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.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**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.

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 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.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, 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.

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, 2017**

**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, 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.

**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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**4. *Restricted Assets***

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

**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:

<u>Assets</u>	<u>Years</u>
Improvements Other Than Buildings	15-20
Buildings	40
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	6-10
Computer Equipment	5

**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 future periods 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 amounts 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.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 (Continued)***

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 future periods 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. 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.

***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 including the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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***

**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.

**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 2017/2018 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 2017/2018 District budget certified for taxes

*SEMI/ARRA-SEMI - Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of the SEMI/ARRA-SEMI revenue that is unexpended at June 30, 2017 appropriated in the adopted 2017/2018 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.



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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)**

**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.

**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.

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

**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 1<sup>st</sup> 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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**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 2015-2016 and 2016-2017 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.

**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 in the funds.” The details of this \$58,651,743 difference are as follows:

Bonds Payable	\$ (17,740,000)
Add: Issuance of Premium (to be amortized over life of debt)	(1,628,638)
Capital Leases	(374,801)
Compensated Absences	(1,513,474)
Net Pension Liability	<u>(37,394,830)</u>
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities	<u>\$ (58,651,743)</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

**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. Also, 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.” The details of this \$2,494,964 difference are as follows:

Principal repayments:	
General Obligation Bonds	\$ 2,245,000
Payment on Capital Lease	<u>249,964</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	<u>\$ 2,494,964</u>

**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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$598,608. The increase was funded by the reappropriation of prior year general fund encumbrances. The Board increased the original special revenue budget by \$395,185 which was funded by additional grant awards.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

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.

**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, 2017 is as follows:

Balance, July 1, 2016		\$ 3,546,405
Increased by:		
Deposits Approved in District Budget	\$ 650,000	
Deposits Approved by Board Resolution	<u>1,283,840</u>	
		<u>1,933,840</u>
		5,480,245
Decreased by:		
Withdrawals Approved in District Budget		<u>625,000</u>
Balance, June 30, 2017		<u>\$ 4,855,245</u>
Designated in 2017/18 Budget	\$ 650,000	
Available Capital Reserve	<u>4,205,245</u>	
		<u>\$ 4,855,245</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017 is as follows:

Balance, July 1, 2016	\$ 550,000
Increased by:	
Deposits Approved in District Budget	<u>604,000</u>
	1,154,000
Decreased by:	
Withdrawals Approved in District Budget	<u>350,000</u>
Balance, June 30, 2017	<u>\$ 804,000</u>
Designated in 2017/18 Budget	\$ 504,000
Available Maintenance Reserve	<u>300,000</u>
	<u>\$ 804,000</u>

The June 30, 2017 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.

**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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Emergency Reserve (Continued)**

The activity of the emergency reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 223,500
Decreased by:	
Withdrawal Approved in District Budget	<u>223,500</u>
Balance, June 30, 2017	<u>\$ -</u>

**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.

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, 2017, the book value of the Board's deposits were \$10,890,392 and bank and brokerage firm balances of the Board's deposits amounted to \$13,222,063. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" and "cash with fiscal agent/held by trustee" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured:	
Cash and Cash Equivalents	\$ 11,480,074
Uninsured and Collateralized	
Cash with Fiscal Agent/Trustee	<u>1,741,989</u>
	<u>\$ 13,222,063</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

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, 2017 the Board’s bank balance of \$1,741,989 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department or agent not in the Board's name	\$ 1,741,989
	<u>\$ 1,741,989</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, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2017, the Board had no outstanding investments.

**B. Receivables**

Receivables as of June 30, 2017 for the district’s individual major funds, nonmajor and fiduciary funds 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>Fiduciary-Student Activity</u>	<u>Total</u>
Receivables:							
Accounts	\$ 81,816	\$ 2,522			\$ 2,587	\$ 8,279	\$ 95,204
Intergovernmental-							
Federal		244,207		\$ 10,500			254,707
State	<u>134,527</u>	<u>-</u>	<u>\$1,902,898</u>	<u>392</u>	<u>-</u>	<u>-</u>	<u>2,037,817</u>
Total Receivables	<u>\$ 216,343</u>	<u>\$ 246,729</u>	<u>\$1,902,898</u>	<u>\$ 10,892</u>	<u>\$ 2,587</u>	<u>\$ 8,279</u>	<u>\$ 2,387,728</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**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	\$	4,000
Tuition		500
Health Benefit Contributions		1,288
Special Revenue Fund		
Unencumbered Grant Draw Downs		14,330
Grant Draw Downs Reserved for Encumbrances		19,742
Capital Projects Fund		
Unrealized School Facilities Grants		<u>286,577</u>
Total Unearned Revenue for Governmental Funds	\$	<u>326,437</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance, July 1, 2016	Increases	Balance, June 30, 2017
<b>Governmental Activities:</b>			
Capital Assets, Not Being Depreciated:			
Land	\$ 534,652	-	\$ 534,652
Construction in Progress	<u>-</u>	<u>\$ 2,168,161</u>	<u>2,168,161</u>
Total Capital Assets, Not Being Depreciated	<u>534,652</u>	<u>2,168,161</u>	<u>2,702,813</u>
Capital Assets, Being Depreciated:			
Buildings and Building Improvements	51,613,020		51,613,020
Improvements Other Than Buildings	2,231,528		2,231,528
Machinery and Equipment	<u>7,710,224</u>	<u>362,976</u>	<u>8,073,200</u>
Total Capital Assets Being Depreciated	<u>61,554,772</u>	<u>362,976</u>	<u>61,917,748</u>
Less Accumulated Depreciation for:			
Buildings and Building Improvements	(17,558,611)	(1,083,846)	(18,642,457)
Improvements Other Than Buildings	(1,687,599)	(97,952)	(1,785,551)
Machinery and Equipment	<u>(6,254,274)</u>	<u>(483,364)</u>	<u>(6,737,638)</u>
Total Accumulated Depreciation	<u>(25,500,484)</u>	<u>(1,665,162)</u>	<u>(27,165,646)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,054,288</u>	<u>(1,302,186)</u>	<u>34,752,102</u>
Governmental Activities Capital Assets, Net	<u>\$ 36,588,940</u>	<u>\$ 865,975</u>	<u>\$ 37,454,915</u>



**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2017</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 562,903	\$ 2,075	-	\$ 564,978
Total Capital Assets Being Depreciated	<u>562,903</u>	<u>2,075</u>	<u>-</u>	<u>564,978</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(466,207)</u>	<u>(13,011)</u>	<u>-</u>	<u>(479,218)</u>
Total Accumulated Depreciation	<u>(466,207)</u>	<u>(13,011)</u>	<u>-</u>	<u>(479,218)</u>
Total Capital Assets, Being Depreciated, Net	<u>96,696</u>	<u>(10,936)</u>	<u>-</u>	<u>85,760</u>
Business-Type Activities Capital Assets, Net	<u>\$ 96,696</u>	<u>\$ (10,936)</u>	<u>\$ -</u>	<u>\$ 85,760</u>

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

<b>Governmental Activities:</b>	
Regular Instruction	\$ <u>33,303</u>
Total Instruction	<u>33,303</u>
Support Services	
Student & Instruction Related Services	166,516
General Administrative Services	1,198,917
Operations and Maintenance of Plant	16,652
Pupil Transportation	<u>249,774</u>
Total Support Services	<u>1,631,859</u>
Total Governmental Funds	<u>1,665,162</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,665,162</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 13,011</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 13,011</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017:

<u>Project</u>	<u>Remaining Commitment</u>
Wall High School Stadium Exterior Bleacher Replacement	\$ 554,785
Phone System and Public Address System Replacement (All Schools)	<u>364,545</u>
Total	<u>\$ 919,330</u>

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 192,163
General Fund	Capital Projects Fund	<u>1,229,959</u>
		<u>\$ 1,422,122</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.

**F. Leases**

**Capital Leases**

The District is leasing buses totaling \$982,992 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>\$ 982,992</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Fiscal</u> <u>Year Ending June 30</u>	<u>Governmental</u> <u>Activities</u>
2018	\$ 205,368
2019	113,332
2020	<u>69,958</u>
Total minimum lease payments	388,658
Less: amount representing interest	<u>(13,857)</u>
Present value of minimum lease payments	<u>\$ 374,801</u>

**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. 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, 2017 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 2.116-4.202%	\$ 2,315,000
\$17,515,000, 2015 School Refunding Bonds, due in annual installments of \$1,930,000 to \$2,410,000 through July 15, 2023, interest at 4.00-5.00%	<u>15,425,000</u>
	<u>\$ 17,740,000</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		
	Principal	Interest	Total
2018	\$ 2,320,000	\$ 750,055	\$ 3,070,055
2019	2,415,000	662,110	3,077,110
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
2023-2027	5,275,000	316,791	5,591,791
2028	110,000	2,311	112,311
Total	<u>\$ 17,740,000</u>	<u>\$ 3,072,480</u>	<u>\$ 20,812,480</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 229,784,067
Less: Net Debt	<u>17,740,000</u>
Remaining Borrowing Power	<u>\$ 212,044,067</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	Balance, July 1, 2016	Additions	Reductions	Balance, June 30, 2017	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 19,985,000		\$ (2,245,000)	\$ 17,740,000	\$ 2,320,000
Add:					
Unamortized Premium	2,073,399	-	(444,761)	1,628,638	-
Bonds Payable, Net	22,058,399		(2,689,761)	19,368,638	2,320,000
Capital Leases	624,765		(249,964)	374,801	196,985
Compensated Absences	1,431,581	\$ 181,692	(99,799)	1,513,474	
Net Pension Liability	26,461,623	12,054,890	(1,121,683)	37,394,830	-
Governmental Activities Long-Term Liabilities	<u>\$ 50,576,368</u>	<u>\$ 12,236,582</u>	<u>\$ (4,161,207)</u>	<u>\$ 58,651,743</u>	<u>\$ 2,516,985</u>

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

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, 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 \$1,737,880 reported at June 30, 2017 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.

Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal years ended June 30, 2017 and 2016 are as follows:

<b>Governmental Activities:</b>	<b>Fiscal Year Ended June 30, 2017</b>	<b>Fiscal Year Ended June 30, 2016</b>
Unpaid Claims, Beginning of Year	\$ 1,430,263	\$ 1,430,263
Incurred claims (including IBNR's)	8,151,603	8,204,649
Claim payments	<u>7,843,986</u>	<u>8,204,649</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 1,737,880</u>	<u>\$ 1,430,263</u>
General Fund		
Other Current Liabilities	<u>\$ 1,737,880</u>	<u>\$ 1,430,263</u>
	<u>\$ 1,737,880</u>	<u>\$ 1,430,263</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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

The Fund provides its 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.

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:

<u>Fiscal Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 50,064	\$ 33,440	\$ 260,713
2016	74,567	44,365	244,089
2015	74,178	62,509	213,887

**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, 2017, 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, 2017, 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, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans**

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

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, 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 and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**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, 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](http://www.state.nj.us/treasury/pensions).

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Funding Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2015 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for the PERS and varying percentages based on experience for TPAF.



**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**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 member 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 7.06% for PERS, 7.06% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer 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.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2017	\$ 1,121,683	\$ 3,331,255	\$ 44,000
2016	1,014,803	2,264,637	45,157
2015	993,194	1,516,090	29,660

In addition for fiscal year 2016/2017 the District contributed \$8,800 for PERS and the State contributed \$10,957 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 No. 24. 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 \$2,097,128 during the fiscal year ended June 30, 2017 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. 24.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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)**

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$37,394,830 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2016, the District's proportionate share was .12626 percent, which was an increase of .00839 percent from its proportionate share measured as of June 30, 2015 of .11787 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,038,775 for PERS. At June 30, 2017, 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	\$ 695,430	
Changes of Assumptions	7,746,211	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,425,899	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>1,977,024</u>	<u>\$ 29,735</u>
Total	<u>\$ 11,844,564</u>	<u>\$ 29,735</u>

At June 30, 2017, 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:

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2018	\$ 2,688,990
2019	2,688,990
2020	3,017,720
2021	2,536,334
2022	882,795
Thereafter	<u>-</u>
	<u>\$ 11,814,829</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
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, 2015 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, 2017**

**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***

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

***Discount Rate***

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%



**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey 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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$16,718,585 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2017 the State's proportionate share of the net pension liability attributable to the District is \$222,510,730. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .28285 percent, which was an increase of .00243 percent from its proportionate share measured as of June 30, 2015 of .28042 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

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, 2015 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  
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**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**

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029

Municipal Bond Rate \*    From July 1, 2029  
and Thereafter

\* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	<b>1% Decrease <u>(2.22%)</u></b>	<b>Current Discount Rate <u>(3.22%)</u></b>	<b>1% Increase <u>(4.22%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 265,727,537</u>	<u>\$ 222,510,730</u>	<u>\$ 187,218,630</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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](http://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 plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program 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 state 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. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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](http://www.state.nj.us/treasury/pensions).

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2016divisioncombined.pdf>.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2017, 2016 and 2015 were \$2,775,694, \$2,696,558 and \$2,406,795, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**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 Wall Township Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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**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, 2017**

	Original budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 62,797,547		\$ 62,797,547	\$ 62,797,547	
Tuition from Other LEAs	250,000		250,000	464,483	\$ 214,483
Tuition from Individuals	90,000		90,000	33,788	(56,212)
Preschool Tuition (Spec Ed)	30,000		30,000	35,784	5,784
Rental Fees	85,000		85,000	111,727	26,727
Interest Earned	-		-	7,995	7,995
Miscellaneous	60,000	-	60,000	265,021	205,021
<b>Total Local Sources</b>	<b>63,312,547</b>	<b>-</b>	<b>63,312,547</b>	<b>63,716,345</b>	<b>403,798</b>
<b>State Sources</b>					
Special Education Categorical Aid	2,384,498		2,384,498	2,384,498	-
Security Aid	341,937		341,937	341,937	-
Transportation Aid	769,076		769,076	769,076	-
Adjustment Aid	15,712		15,712	15,712	-
PARCC Readiness Aid	35,095		35,095	35,095	-
Per Pupil Growth Aid	35,095		35,095	35,095	-
Professional Learning Community Aid	35,100		35,100	35,100	-
Extraordinary Aid	150,000		150,000	284,746	134,746
Additional NonPublic Transportation Aid	15,140		15,140	30,143	15,003
On-behalf TPAF Pension System Contributions- Normal Cost and Accrued Liabilities (Non-Budget)				3,214,776	3,214,776
On-behalf TPAF Pension System Contributions- Noncontributory Insurance (Non-Budget)				116,479	116,479
On Behalf TPAF Pension System Contribution Long Term Group Disability				10,957	10,957
On-behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budget)				2,775,694	2,775,694
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	2,097,128	2,097,128
<b>Total State Sources</b>	<b>3,781,653</b>	<b>-</b>	<b>3,781,653</b>	<b>12,146,436</b>	<b>8,364,783</b>
<b>Federal Sources</b>					
Medical Assistance Program	51,300	-	51,300	54,353	3,053
<b>Total Federal Sources</b>	<b>51,300</b>	<b>-</b>	<b>51,300</b>	<b>54,353</b>	<b>3,053</b>
<b>Total Revenues</b>	<b>67,145,500</b>	<b>-</b>	<b>67,145,500</b>	<b>75,917,134</b>	<b>8,771,634</b>
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers</b>					
Kindergarten	795,460	\$ 88,697	884,157	884,157	-
Grades 1-5	5,987,885	334,653	6,322,538	6,322,538	-
Grades 6-8	4,588,287	(65,213)	4,523,074	4,523,074	-
Grades 9-12	6,970,157	(281,848)	6,688,309	6,688,309	-
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	100,000	47,402	147,402	147,402	-
Purchased Professional-Educational Services	20,000	21,500	41,500	26,843	14,657
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	77,680	(10,188)	67,492	67,492	-
Purchased Professional-Educational Services	157,000	-	157,000	140,680	16,320
Other Purchased Services	224,000	(35,000)	189,000	98,629	90,371
General Supplies	986,959	114,965	1,101,924	976,281	125,643
Textbooks	259,798	(94,658)	165,140	139,998	25,142
Other Objects	2,200	-	2,200	2,026	174
<b>Total Regular Programs</b>	<b>20,169,426</b>	<b>120,310</b>	<b>20,289,736</b>	<b>20,017,429</b>	<b>272,307</b>
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	195,950	8,251	204,201	204,201	-
Other Salaries for Instruction	134,747	(33,138)	101,609	101,609	-
General Supplies	59,000	(20,000)	39,000	34,905	4,095
<b>Total Learning and/or Language Disabilities</b>	<b>389,697</b>	<b>(44,887)</b>	<b>344,810</b>	<b>340,715</b>	<b>4,095</b>

WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES</b>					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 138,550	\$ (77,234)	\$ 61,316	\$ 61,316	-
Other Salaries for Instruction	16,345	63,038	79,383	79,383	-
General Supplies	19,000	(12,000)	7,000	5,973	\$ 1,027
<b>Total Behavioral Disabilities</b>	<b>173,895</b>	<b>(26,196)</b>	<b>147,699</b>	<b>146,672</b>	<b>1,027</b>
Multiple Disabilities					
Salaries of Teachers	378,320	36,539	414,859	414,859	-
Other Salaries for Instruction	231,593	(34,522)	197,071	197,071	-
General Supplies	25,000	(13,900)	11,100	8,717	2,383
<b>Total Multiple Disabilities</b>	<b>634,913</b>	<b>(11,883)</b>	<b>623,030</b>	<b>620,647</b>	<b>2,383</b>
Resource Room/ Resource Center					
Salaries of Teachers	5,278,336	3,116	5,281,452	5,268,144	13,308
Other Salaries for Instruction	622,654	101,635	724,289	724,289	-
General Supplies	30,600	(15,000)	15,600	12,725	2,875
Other Objects	3,500	-	3,500	877	2,623
<b>Total Resource Room/ Resource Center</b>	<b>5,935,090</b>	<b>89,751</b>	<b>6,024,841</b>	<b>6,006,035</b>	<b>18,806</b>
Preschool Disabilities - Part - Time					
Salaries of Teachers	205,473	28,707	234,180	234,180	-
Other Salaries for Instruction	102,540	18,510	121,050	121,050	-
General Supplies	4,500	-	4,500	1,837	2,663
<b>Total Preschool Disabilities - Part - Time</b>	<b>312,513</b>	<b>47,217</b>	<b>359,730</b>	<b>357,067</b>	<b>2,663</b>
<b>Total Special Education</b>	<b>7,446,108</b>	<b>54,002</b>	<b>7,500,110</b>	<b>7,471,136</b>	<b>28,974</b>
Basic Skills/Remedial					
Salaries of Teachers	685,120	(9,822)	675,298	675,298	-
General Supplies	10,000	-	10,000	-	10,000
<b>Total Basic Skills/Remedial</b>	<b>695,120</b>	<b>(9,822)</b>	<b>685,298</b>	<b>675,298</b>	<b>10,000</b>
Bilingual Education					
Salaries of Teachers	183,070	(525)	182,545	182,545	-
General Supplies	2,000	-	2,000	-	2,000
<b>Total Bilingual Education</b>	<b>185,070</b>	<b>(525)</b>	<b>184,545</b>	<b>182,545</b>	<b>2,000</b>
School Sponsored Co-Curricular Activities					
Salaries	273,546	10,440	283,986	283,986	-
<b>Total School Sponsored Co-Curricular Activities</b>	<b>273,546</b>	<b>10,440</b>	<b>283,986</b>	<b>283,986</b>	<b>-</b>
School Sponsored Athletics - Instruction					
Salaries	637,055	4,357	641,412	641,412	-
Purchased Services	175,745	-	175,745	163,043	12,702
Supplies and Materials	130,690	(5,399)	125,291	91,752	33,539
<b>Total School Sponsored Athletics - Instruction</b>	<b>943,490</b>	<b>(1,042)</b>	<b>942,448</b>	<b>896,207</b>	<b>46,241</b>
<b>Total - Instruction</b>	<b>29,712,760</b>	<b>173,363</b>	<b>29,886,123</b>	<b>29,526,601</b>	<b>359,522</b>



**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures					
Instruction					
Tuition - Other LEA's Within State - Regular		\$ 16,448	\$ 16,448	\$ 14,959	\$ 1,489
Tuition - Other LEA's Within State - Special	\$ 64,165	(32,272)	31,893	31,893	-
Tuition to County Voc. School Dist.-Regular	505,240	-	505,240	505,018	222
Tuition to County Voc. School Dist.-Special	141,840	(49,523)	92,317	88,524	3,793
Tuition to CSSD & Regional Day Schools	270,199	51,029	321,228	317,460	3,768
Tuition to Private Schools - Disabled Within State	1,560,000	14,318	1,574,318	1,537,863	36,455
Tuition - State Facilities	24,775	-	24,775	24,775	-
Tuition - Other	12,000	(12,000)	-	-	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,578,219</b>	<b>(12,000)</b>	<b>2,566,219</b>	<b>2,520,492</b>	<b>45,727</b>
Attendance and Social Work Services					
Salaries	32,000	1,200	33,200	33,200	-
Salaries of Family Liaisons/Comm Parent Inv. Spec.	423,100	154,830	577,930	577,930	-
<b>Total Attendance and Social Work Services</b>	<b>455,100</b>	<b>156,030</b>	<b>611,130</b>	<b>611,130</b>	<b>-</b>
Health Services					
Salaries	510,855	(2,018)	508,837	508,837	-
Purchased Professional and Technical Services	12,500	900	13,400	12,600	800
Other Purchased Services	1,750	-	1,750	-	1,750
Supplies and Materials	28,000	(10,000)	18,000	17,050	950
<b>Total Health Services</b>	<b>553,105</b>	<b>(11,118)</b>	<b>541,987</b>	<b>538,487</b>	<b>3,500</b>
Speech, OT, PT & Related Services					
Salaries	810,410	30,199	840,609	840,609	-
Purchased Professional - Educational Services	244,645	12,000	256,645	199,532	57,113
Supplies and Materials	4,500	-	4,500	4,311	189
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>1,059,555</b>	<b>42,199</b>	<b>1,101,754</b>	<b>1,044,452</b>	<b>57,302</b>
Other Support Services-Students-Extra Serv.					
Salaries	1,080,477	(251,333)	829,144	829,144	-
Purchased Professional-Educational Services	217,000	30,500	247,500	238,881	8,619
Supplies and Materials	12,000	3,000	15,000	11,572	3,428
Other Objects	-	5,000	5,000	1,911	3,089
<b>Total Other Support Services-Students-Extra Serv.</b>	<b>1,309,477</b>	<b>(212,833)</b>	<b>1,096,644</b>	<b>1,081,508</b>	<b>15,136</b>
Guidance					
Salaries of Other Professional Staff	686,232	23,752	709,984	709,984	-
Salaries of Secretarial and Clerical Assistants	199,200	184	199,384	199,384	-
Supplies and Materials	22,490	445	22,935	8,480	14,455
<b>Total Guidance</b>	<b>907,922</b>	<b>24,381</b>	<b>932,303</b>	<b>917,848</b>	<b>14,455</b>
Child Study Teams					
Salaries of Other Professional Staff	1,519,246	(189,611)	1,329,635	1,329,635	-
Salaries of Secretarial and Clerical Assistants	198,995	(7,575)	191,420	191,420	-
Other Purchased Prof. and Tech. Services	95,500	1,200	96,700	62,829	33,871
Misc. Purchased Services	8,500	-	8,500	1,929	6,571
Supplies and Materials	41,800	(3,900)	37,900	31,931	5,969
<b>Total Child Study Teams</b>	<b>1,864,041</b>	<b>(199,886)</b>	<b>1,664,155</b>	<b>1,617,744</b>	<b>46,411</b>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	747,304	(59,491)	687,813	687,813	-
Purchased Professional-Educ. Svcs.	3,000	-	3,000	3,000	-
Supplies and Materials	3,500	-	3,500	-	3,500
Other Objects	2,500	-	2,500	1,964	536
<b>Total Improvement of Instructional Services</b>	<b>756,304</b>	<b>(59,491)</b>	<b>696,813</b>	<b>692,777</b>	<b>4,036</b>
Educational Media Services/School Library					
Salaries	292,094	9,919	302,013	302,013	-
Other Purchased Services	12,000	-	12,000	8,905	3,095
Supplies and Materials	75,088	(2,000)	73,088	67,533	5,555
<b>Total Educational Media Services/School Library</b>	<b>379,182</b>	<b>7,919</b>	<b>387,101</b>	<b>378,451</b>	<b>8,650</b>

WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Other Purchased Services	\$ 110,000	\$ (10,752)	\$ 99,248	\$ 65,084	\$ 34,164
Supplies and Materials	10,000	(3,826)	6,174	1,411	4,763
Total Instructional Staff Training Services	120,000	(14,578)	105,422	66,495	38,927
Support Services General Administration					
Salaries	426,413	(26,862)	399,551	399,551	-
Legal Services	125,000	8,011	133,011	106,720	26,291
Audit Fees	42,000	100,000	142,000	107,289	34,711
Architectural/Engineering Services	10,000	(10,000)	-	-	-
Other Purchased Professional Services	24,500	16,000	40,500	31,795	8,705
Communications/Telephone	135,660	33,200	168,860	164,767	4,093
BOE Other Purchased Services	2,500	-	2,500	1,781	719
Misc. Purchased Services	83,600	(985)	82,615	75,643	6,972
General Supplies	19,000	-	19,000	14,495	4,505
Judgments Against the School District	50,000	(18,200)	31,800	-	31,800
Miscellaneous Expenditures	5,000	1,200	6,200	5,229	971
BOE Membership Dues and Fees	29,000	-	29,000	28,210	790
Total Support Services General Administration	952,673	102,364	1,055,037	935,480	119,557
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,463,944	12,908	1,476,852	1,476,852	-
Salaries of Other Professional Staff	711,894	-	711,894	711,894	-
Salaries of Secretarial and Clerical Assistants	699,042	11,066	710,108	709,800	308
Other Purchased Services	44,925	3,500	48,425	21,127	27,298
Supplies and Materials	93,928	2,244	96,172	61,996	34,176
Other Objects	3,025	-	3,025	825	2,200
Total Support Services School Administration	3,016,758	29,718	3,046,476	2,982,494	63,982
Central Services					
Salaries	571,430	(30,114)	541,316	541,316	-
Purchased Professional Services	89,700	-	89,700	68,069	21,631
Misc. Purchased Services	31,800	200	32,000	20,835	11,165
Supplies and Materials	29,770	4,538	34,308	27,267	7,041
Other Objects	1,700	-	1,700	1,281	419
Total Central Services	724,400	(25,376)	699,024	658,768	40,256
Admin. Info. Tech					
Salaries	379,613	(19,335)	360,278	360,278	-
Purchased Technical Services	162,000	2,674	164,674	164,331	343
Other Purchased Services	6,900	-	6,900	1,734	5,166
Supplies and Materials	15,600	18,897	34,497	34,454	43
Total Admin. Info. Tech.	564,113	2,236	566,349	560,797	5,552
Required Maintenance for School Facilities					
Cleaning, Repair & Maintenance Services	322,000	163,517	485,517	416,958	68,559
General Supplies	250,000	(23,126)	226,874	133,655	93,219
Total Required Maintenance for School Facilities	572,000	140,391	712,391	550,613	161,778
Custodial Services					
Salaries	2,655,678	(25,844)	2,629,834	2,629,834	-
Salaries of Non-Instructional Aides	472,544	(3,955)	468,589	468,589	-
Purchased Professional & Technical Services	31,000	7,625	38,625	29,198	9,427
Cleaning, Repair and Maintenance Services	180,600	(33,347)	147,253	131,099	16,154
Rental of Land & Buildings Other Than Lease Purch Agree.	48,500	135	48,635	47,373	1,262
Other Purchased Property Services	181,600	2,360	183,960	183,833	127
Insurance	458,000	(15,000)	443,000	442,756	244
Miscellaneous Purchased Services	2,200	-	2,200	173	2,027
General Supplies	250,000	(13,770)	236,230	224,839	11,391
Energy (Natural Gas)	450,000	(49,441)	400,559	383,863	16,696
Energy (Electricity)	650,000	47,505	697,505	667,936	29,569
Other Objects	4,000	-	4,000	1,377	2,623
Total Custodial Services	5,384,122	(83,732)	5,300,390	5,210,870	89,520

**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Care &amp; Upkeep of Grounds</b>					
Cleaning, Repair and Maintenance Services	\$ 157,000	\$ 4,350	\$ 161,350	\$ 145,370	\$ 15,980
General Supplies	60,000	-	60,000	31,534	28,466
<b>Total Care &amp; Upkeep of Grounds</b>	<b>217,000</b>	<b>4,350</b>	<b>221,350</b>	<b>176,904</b>	<b>44,446</b>
<b>Security</b>					
Salaries	232,342	10,156	242,498	242,498	-
Purchased Professional and Technical Services	6,000	25,000	31,000	22,338	8,662
General Supplies	10,000	13,000	23,000	21,735	1,265
<b>Total Security</b>	<b>248,342</b>	<b>48,156</b>	<b>296,498</b>	<b>286,571</b>	<b>9,927</b>
<b>Student Transportation Services</b>					
Salaries of Non-Instructional Aides	222,033	14,176	236,209	236,209	-
Salaries for Pupil Transportation (Between Home and School) - Regular	1,419,050	(33,764)	1,385,286	1,381,227	4,059
Salaries for Pupil Transportation (Between Home and School) - Special Ed	476,834	30,864	507,698	507,698	-
Salaries for Pupil Transportation (Other Than Between Home & School)	70,000	(9,948)	60,052	60,052	-
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	54,317	17,266	71,583	71,582	1
Other Purchased Prof. and Technical Services	50,000	-	50,000	33,055	16,945
Cleaning, Repair & Maintenance Svc	170,519	-	170,519	96,126	74,393
Lease Purchase Payments- School Buses	221,100	24,830	245,930	245,930	-
Contracted Services (Other Than Between Home and School) - Vendors	20,000	-	20,000	8,709	11,291
Contracted Services (Between Home and School)- Joint Agreements	-	-	-	-	-
Contracted Services (Special Ed Students) - Vendors	14,500	-	14,500	13,443	1,057
Contracted Services (Special Ed Students)- Joint Agreements	42,427	10,288	52,715	48,251	4,464
Contracted Services (Reg. Students)-ESCs & CTSA	513,240	77,447	590,687	590,687	-
Contracted Services (Spl. Ed. Students)-ESCs & CTSA	526,925	89,385	616,310	616,310	-
Contracted Services - Aid in Lieu of Payments- NonPublic	88,400	(24,000)	64,400	59,910	4,490
Miscellaneous Purchased Services- Transportation	57,500	-	57,500	55,845	1,655
General Supplies	10,000	2,275	12,275	6,888	5,387
Transportation Supplies	435,000	(44,209)	390,791	300,454	90,337
Other Objects	2,500	(1,000)	1,500	200	1,300
<b>Total Student Transportation Services</b>	<b>4,394,345</b>	<b>153,610</b>	<b>4,547,955</b>	<b>4,332,576</b>	<b>215,379</b>
<b>Unallocated Benefits</b>					
Group Insurance	29,250	-	29,250	26,963	2,287
Social Security Contributions	1,068,000	29,000	1,097,000	1,097,000	-
Other Retirement Contributions - PERS	1,104,000	38,382	1,142,382	1,137,693	4,689
Other Retirement Contributions-Regular	44,000	-	44,000	44,000	-
Workmen's Compensation	565,000	17,744	582,744	561,753	20,991
Health Benefits	8,407,033	(39,845)	8,367,188	7,843,986	523,202
Tuition Reimbursement	47,000	-	47,000	13,347	33,653
Other Employee Benefits	366,345	-	366,345	335,949	30,396
Unused Sick Payment to Terminated/Retired Staff	159,954	(60,155)	99,799	99,799	-
<b>Total Unallocated Benefits</b>	<b>11,790,582</b>	<b>(14,874)</b>	<b>11,775,708</b>	<b>11,160,490</b>	<b>615,218</b>

**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
On Behalf TPAF Pension System Contribution Noncontributory Insurance (Non Budgeted)				\$ 116,479	\$ (116,479)
On Behalf TPAF Pension System Contribution Long Term Group Disability				10,957	(10,957)
On Behalf TPAF Pension System Contribution-Normal Cost and Accrued Liabilities				3,214,776	(3,214,776)
On Behalf TPAF Pension System Contribution Post- Retirement Medical -(Non Budgeted)				2,775,694	(2,775,694)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,097,128	(2,097,128)
Total On-Behalf Contributions	-	-	-	8,215,034	(8,215,034)
Total Undistributed Expenditures	\$ 37,847,240	\$ 77,466	\$ 37,924,706	44,539,981	(6,615,275)
Total Expenditures - Current Expenditures	67,560,000	250,829	67,810,829	74,066,582	(6,255,753)
<b>CAPITAL OUTLAY</b>					
Equipment					
Regular Programs - Instruction Grades 9-12		9,894	9,894	9,894	-
Special Education - Instruction Multiple Disabilities		13,900	13,900		13,900
School-Sponsored Athletics		5,439	5,439		5,439
Undistributed Expenditures School-Sponsored and Other Instructional Programs				2,755	245
School Buses Non- Instructional	59,000	(32,490)	26,510	3,171	23,339
Total Equipment	59,000	347,779	406,779	363,856	42,923
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	117,220	(39,134)	78,086	36,466	41,620
Construction Services	600,000	39,134	639,134	84,349	554,785
Assessment for Debt Service on SDA Funding	7,780	-	7,780	7,780	-
Total Facilities Acquisition and Construction Services	725,000	-	725,000	128,595	596,405
Total Capital Outlay	784,000	347,779	1,131,779	492,451	639,328
Total Expenditures	68,344,000	598,608	68,942,608	74,559,033	(5,616,425)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,198,500)	(598,608)	(1,797,108)	1,358,101	3,155,209
Fund Balances, Beginning of Year	6,475,779	-	6,475,779	6,475,779	-
Fund Balances, End of Year	\$ 5,277,279	\$ (598,608)	\$ 4,678,671	\$ 7,833,880	\$ 3,155,209
<b>Recapitulation</b>					
Restricted Fund Balance					
Capital Reserve				\$ 4,205,245	
Maintenance Reserve				300,000	
Designated for Subsequent Year's Expenditures - 2017/2018 Budget					
Capital Reserve				650,000	
Maintenance Reserve				504,000	
Emergency Reserve					
SEMI-FY14 Cost Settlement - Designated for Subsequent Year's Expenditures				11,952	
ARRA-SEMI - Designated for Subsequent Year's Expenditures				17,748	
Committed Fund Balance					
Year End Encumbrances				554,785	
Assigned Fund Balance					
Year End Encumbrances				113,521	
Unassigned Fund Balance				1,476,629	
				7,833,880	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
2016/2017 State Aid Payments Not Recognized on GAAP Basis				(340,281)	
2016/2017 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(284,746)	
Fund Balance Per Governmental Funds (GAAP)				\$ 7,208,853	

**WALL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 70,000	\$ (2,612)	\$ 67,388	\$ 61,508	\$ (5,880)
Federal	1,060,000	376,376	1,436,376	1,226,584	(209,792)
Local Sources					
Miscellaneous	-	21,421	21,421	20,030	(1,391)
<b>Total Revenues</b>	<u>1,130,000</u>	<u>395,185</u>	<u>1,525,185</u>	<u>1,308,122</u>	<u>(217,063)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	250,000	(93,419)	156,581	113,663	42,918
Tuition - Other Purchased Services	810,000	(8,114)	801,886	801,803	83
Purchased Professional and Technical Services		151,945	151,945	61,800	90,145
General Supplies	18,000	266,487	284,487	234,402	50,085
Other Objects	-	9,500	9,500	8,609	891
<b>Total Instruction</b>	<u>1,078,000</u>	<u>326,399</u>	<u>1,404,399</u>	<u>1,220,277</u>	<u>184,122</u>
Support Services					
Salaries of Teachers		12,915	12,915	868	12,047
Personal Services-Employee Benefits		12,968	12,968	8,762	4,206
Purchased Professional/Technical Svc	45,000	8,078	53,078	45,384	7,694
Other Purchased Services	7,000	15,609	22,609	18,840	3,769
Supplies and Materials	-	18,616	18,616	13,991	4,625
Other Objects	-	600	600	-	600
<b>Total Support Services</b>	<u>52,000</u>	<u>68,786</u>	<u>120,786</u>	<u>87,845</u>	<u>32,941</u>
<b>Total Expenditures</b>	<u>1,130,000</u>	<u>395,185</u>	<u>1,525,185</u>	<u>1,308,122</u>	<u>217,063</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>

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**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, 2017**

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>
<b>Sources/Inflows of Resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 75,917,134	(C-2)	\$ 1,308,122
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, 2017			(19,742)
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2015/2016 State Aid)	563,561		
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2016/2017 State Aid)	<u>(625,027)</u>		<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>75,855,668</u>		\$ <u>1,288,380</u>
<b>Uses/Outflows of Resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 74,559,033	(C-2)	\$ 1,308,122
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, 2017	<u>-</u>		<u>(19,742)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>74,559,033</u>		\$ <u>1,288,380</u>



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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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 Four Fiscal Years*			
	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0.12626%	0.11787%	0.11812%	0.11213%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 37,394,830	\$ 26,461,623	\$ 22,114,767	\$ 21,430,356
District's Covered-Employee Payroll	\$ 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-Employee Payroll	437%	316%	276%	266%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Four Fiscal Years

	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,121,683	\$ 1,013,449	\$ 973,741	\$ 845,865
Contributions in Relation to the Contractually Required Contribution	<u>1,121,683</u>	<u>1,013,449</u>	<u>973,741</u>	<u>845,865</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 8,549,704	\$ 8,383,906	\$ 8,019,520	\$ 8,070,828
Contributions as a Percentage of Covered-Employee Payroll	13%	12%	12%	10%

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 Four Fiscal Years\*

	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	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	\$ 222,510,730	\$ 177,241,722	\$ 141,063,164	\$ 137,997,158
Total	\$ 222,510,730	\$ 177,241,722	\$ 141,063,164	\$ 137,997,158
District's Covered-Employee Payroll	\$ 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-Employee Payroll	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2017**

**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.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES**

**GENERAL FUND**

**NOT APPLICABLE**



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**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, 2017

	NCLB Title I	NCLB Title IIA	Title III	IDEA Part B-Basic	IDEA Part B Preschool	Total Exhibit E-1a	Totals
<b>REVENUES</b>							
Intergovernmental							
State							
Federal	\$ 317,945	\$ 28,784	\$ 15,838	\$ 830,000	\$ 34,017	\$ 61,508	\$ 61,508
Other	-	-	-	-	-	20,030	1,226,584
<b>Total Revenues</b>	<b>\$ 317,945</b>	<b>\$ 28,784</b>	<b>\$ 15,838</b>	<b>\$ 830,000</b>	<b>\$ 34,017</b>	<b>\$ 81,538</b>	<b>\$ 1,308,122</b>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 106,099		\$ 7,564	\$ 801,803			\$ 113,663
Tuition - Other Purchased Services				27,783	34,017		801,803
Purchased Prof & Tech Svcs	203,471	-	6,894	-	-	\$ 24,037	61,800
General Supplies							234,402
Other Objects							8,609
<b>Total Instruction</b>	<b>309,570</b>	<b>-</b>	<b>14,458</b>	<b>829,586</b>	<b>34,017</b>	<b>32,646</b>	<b>1,220,277</b>
Support Services							
Salaries of Teachers	124		744				868
Personal Svcs. -Emp. Benefits	8,126		636				8,762
Purchased Prof & Tech Svcs				414		45,384	45,384
Other Purchased Services		\$ 14,918				3,508	18,840
Supplies and Materials	125	13,866					13,991
<b>Total Support Services</b>	<b>8,375</b>	<b>28,784</b>	<b>1,380</b>	<b>414</b>	<b>-</b>	<b>48,892</b>	<b>87,845</b>
<b>Total Expenditures</b>	<b>\$ 317,945</b>	<b>\$ 28,784</b>	<b>\$ 15,838</b>	<b>\$ 830,000</b>	<b>\$ 34,017</b>	<b>\$ 81,538</b>	<b>\$ 1,308,122</b>

WALL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Chap. 193 Exam. & Class.	Nonpublic Nursing	Nonpublic Textbook Aid	Chap. 192 Nonpublic Compensatory Education Services	Nonpublic Security	Nonpublic Technology	Local Grants	Total Exhibit E-1a
<b>REVENUES</b>								
Intergovernmental								
State	\$ 12,570	\$ 9,562	\$ 7,141	\$ 23,252	\$ 5,475	\$ 3,508	\$ 20,030	\$ 61,508
Other	-	-	-	-	-	-	-	20,030
<b>Total Revenues</b>	<b>\$ 12,570</b>	<b>\$ 9,562</b>	<b>\$ 7,141</b>	<b>\$ 23,252</b>	<b>\$ 5,475</b>	<b>\$ 3,508</b>	<b>\$ 20,030</b>	<b>\$ 81,538</b>
<b>EXPENDITURES</b>								
Instruction								
General Supplies		\$ 7,141	\$ 7,141	\$ -	\$ 5,475	\$ -	\$ 11,421	\$ 24,037
Other Objects	-	-	-	-	-	-	8,609	8,609
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>7,141</b>	<b>-</b>	<b>5,475</b>	<b>-</b>	<b>20,030</b>	<b>32,646</b>
Support Services								
Purchased Prof & Technical Svcs	\$ 12,570	\$ 9,562	\$ -	\$ 23,252	\$ -	\$ 3,508	\$ -	45,384
Other Purchased Services	-	-	-	-	-	-	-	3,508
<b>Total Support Services</b>	<b>12,570</b>	<b>9,562</b>	<b>-</b>	<b>23,252</b>	<b>-</b>	<b>3,508</b>	<b>-</b>	<b>48,892</b>
<b>Total Expenditures</b>	<b>\$ 12,570</b>	<b>\$ 9,562</b>	<b>\$ 7,141</b>	<b>\$ 23,252</b>	<b>\$ 5,475</b>	<b>\$ 3,508</b>	<b>\$ 20,030</b>	<b>\$ 81,538</b>

**WALL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION PROGRAM AID  
SCHEDULE OF EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

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**CAPITAL PROJECTS FUND**

**WALL TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2017</u>
			<u>Prior Year</u>	<u>Current Year</u>	
2014	HVAC- West Belmar	\$ 144,606	\$ 141,606		\$ 3,000
2014	Emergency Generators-Variou Schools	408,649	386,150		22,499
2014	Front Entrance Modification-Variou Schools	434,712	379,744	\$ 20,591	34,377
2015	Security Upgrades- Variou Schools	644,000	631,276	-	12,724
2015	Roof Replacement- Variou Schools	734,000	498,206	-	235,794
2016	Phone System- Variou Schools	458,300	-	249,765	208,535
2016	Public Address System - Variou Schools	1,933,000	-	1,776,990	156,010
		<u>\$ 4,757,267</u>	<u>\$ 2,036,982</u>	<u>\$ 2,047,346</u>	<u>\$ 672,939</u>
	Fund Balance, Budgetary Basis				\$ 672,939
	Less: Unrealized SDA Grants				(286,577)
	Fund Balance, GAAP Basis				<u>\$ 386,362</u>
	<b><u>Reconciliation of Fund Balance</u></b>				
	Restricted				
	Year-End Encumbrances				\$ 364,545
	Available for Capital Projects				<u>21,817</u>
	Total Fund Balance- Restricted for Capital Projects				<u>\$ 386,362</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, 2017**

**Revenues and Other Financing Sources**

## Revenues

State - Regular Operating District (SDA) Grants  
Other Financing Sources  
Local Share - Transfer from Capital Outlay

-

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Total Revenues and Other Financing Sources

-

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**Expenditures and Other Financing Uses**

## Expenditures

Purchased Professional and Technical Services  
Construction Services

\$ 880  
2,046,466

Total Expenditures

2,047,346

Deficiency of Revenues and Other Financing Sources Over Expenditures  
and Other Financing Uses

(2,047,346)

Fund Balance, Beginning of Year

2,720,285

Fund Balance, End of Year

\$ 672,939

## Reconciliation to Governmental Fund Statements (GAAP):

Fund Balance per Governmental Funds (Budgetary)  
Less: Unearned SDA Grant Revenue Not Recognized on GAAP Basis

\$ 672,939  
(286,577)

Fund Balance per Governmental Funds (GAAP)

\$ 386,362

**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, 2017**

	<u>Prior</u> <u>Year</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grant	\$ 57,842		\$ 57,842	\$ 57,842
Local Sources - Transfer from Capital Outlay	<u>86,764</u>	<u>-</u>	<u>86,764</u>	<u>86,764</u>
<b>Total Revenues and Other Financing Sources</b>	<u>144,606</u>	<u>-</u>	<u>144,606</u>	<u>144,606</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services				
Construction Services	<u>141,606</u>	<u>-</u>	<u>141,606</u>	<u>144,606</u>
<b>Total Expenditures</b>	<u>141,606</u>	<u>-</u>	<u>141,606</u>	<u>144,606</u>
<b>Excess Revenues Over Expenditures</b>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</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	144,606
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	98%
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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grants	\$ 163,457		\$ 163,457	\$ 163,457
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>-</u>	<u>408,649</u>	<u>408,649</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services			-	
Construction Services	<u>386,150</u>	<u>-</u>	<u>386,150</u>	<u>408,649</u>
Total Expenditures	<u>386,150</u>	<u>-</u>	<u>386,150</u>	<u>408,649</u>
Excess Revenues Over Expenditures	<u>\$ 22,499</u>	<u>\$ -</u>	<u>\$ 22,499</u>	<u>\$ -</u>

<b>Additional Project Information:</b>		<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>
Project Number	Primary School	5420-078-14-1004-G04 \$ 204,800	\$ 66,000
	Allenwood Elementary School	5420-060-14-1001-G04 204,800	87,883
	Central Elementary School	5420-070-14-1002-G04 204,800	87,883
	Old Mill Elementary School	5420-077-14-1003-G04 204,800	69,000
	West Belmar Elementary School	5420-080-14-1005-G04 <u>204,800</u>	<u>97,883</u>
		<u>\$ 1,024,000</u>	<u>\$ 408,649</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	408,649
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	94%
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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grants	\$ 173,878		\$ 173,878	\$ 173,878
Local Sources - Transfer from Capital Outlay	260,834	-	260,834	260,834
	<u>434,712</u>	<u>-</u>	<u>434,712</u>	<u>434,712</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	41,955	\$ 880	42,835	66,102
Construction Services	337,789	19,711	357,500	368,610
	<u>379,744</u>	<u>20,591</u>	<u>400,335</u>	<u>434,712</u>
Total Expenditures				
Excess Revenues Over Expenditures	<u>\$ 54,968</u>	<u>\$ (20,591)</u>	<u>\$ 34,377</u>	<u>\$ -</u>

	<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>
<b>Additional Project Information:</b>		
Project Number		
Wall Intermediate School	5420-075-14-1021-G04	\$ 94,000
West Belmar Elementary School	5420-080-14-1038-G04	37,500
Old Mill Elementary School	5420-077-14-1029-G04	75,000
Central Elementary School	5420-070-14-1020-G04	75,000
Allenwood Elementary School	5420-060-14-1014-G04	103,750
Primary School	5420-078-14-1030-G04	15,000
Wall Township High School	5420-050-14-1009-G04	75,000
	<u>\$ 475,250</u>	<u>\$ 434,712</u>

FEC Grant Date	7/10/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 475,250
Revised Authorized Cost	434,712
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	92%
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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grants	\$ 257,600		\$ 257,600	\$ 257,600
Local Sources - Transfer from Capital Outlay	386,400	-	386,400	386,400
<b>Total Revenues and Other Financing Sources</b>	<u>644,000</u>	<u>-</u>	<u>644,000</u>	<u>644,000</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	50,667		50,667	54,500
Construction Services	580,609	-	580,609	589,500
<b>Total Expenditures</b>	<u>631,276</u>	<u>-</u>	<u>631,276</u>	<u>644,000</u>
<b>Excess/(Deficiency) Revenues Over Expenditures</b>	<u>\$ 12,724</u>	<u>\$ -</u>	<u>\$ 12,724</u>	<u>\$ -</u>
			<u>Original Authorized Cost</u>	

**Additional Project Information:**

Project Number	Wall Intermediate School	\$ 126,000
	West Belmar Elementary School	87,000
	Old Mill Elementary School	71,000
	Central Elementary School	88,000
	Allenwood Elementary School	78,000
	Primary School	34,000
	Wall Township High School	160,000
		<u>\$ 644,000</u>

FEC Grant Date	1/16/2014
Bond Authorization Date	N/A
Proceeds Issued	N/A
Original Authorized Cost	\$ 644,000
Revised Authorized Cost	644,000

Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	98%
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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grants	\$ 293,600		\$ 293,600	\$ 293,600
Local Sources - Transfer from Capital Outlay	440,400	-	440,400	440,400
<b>Total Revenues and Other Financing Sources</b>	<u>734,000</u>	<u>-</u>	<u>734,000</u>	<u>734,000</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	57,126	-	57,126	147,214
Construction Services	441,080	-	441,080	586,786
<b>Total Expenditures</b>	<u>498,206</u>	<u>-</u>	<u>498,206</u>	<u>734,000</u>
<b>Excess/(Deficiency) Revenues Over Expenditures</b>	<u>\$ 235,794</u>	<u>\$ -</u>	<u>\$ 235,794</u>	<u>\$ -</u>
			Original Authorized Cost	
<b>Additional Project Information:</b>				
Project Number				
West Belmar Elementary School			\$ 69,000	
Central Elementary School			390,000	
Allenwood Elementary School			75,000	
Primary School			<u>200,000</u>	
			<u>\$ 734,000</u>	
FEC Grant Date		1/16/2014		
Bond Authorization Date		N/A		
Proceeds Issued		N/A		
Original Authorized Cost		\$ 734,000		
Revised Authorized Cost		734,000		
Percentage Increase Over Original Authorized Cost		0%		
Percentage Completion		68%		
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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grants		\$ 183,320	\$ 183,320	\$ 183,320
Local Sources - Transfer from Capital Outlay	-	274,980	274,980	274,980
Total Revenues and Other Financing Sources	-	458,300	458,300	458,300
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	-		-	
Construction Services	-	249,765	249,765	458,300
Total Expenditures	-	249,765	249,765	458,300
Excess Revenues Over Expenditures	\$ -	\$ 208,535	\$ 208,535	\$ -
			<u>Original Authorized Cost</u>	

**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	164,500
	<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	54%
Original Target Completion Date	2016/17

**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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State - Regular Operating District Grants	-	\$ 773,200	\$ 773,200	\$ 773,200
Local Sources - Transfer from Capital Outlay	-	1,159,800	1,159,800	1,159,800
<b>Total Revenues and Other Financing Sources</b>	<u>-</u>	<u>1,933,000</u>	<u>1,933,000</u>	<u>1,933,000</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Construction Services	-	1,776,990	1,776,990	1,933,000
<b>Total Expenditures</b>	<u>-</u>	<u>1,776,990</u>	<u>1,776,990</u>	<u>1,933,000</u>
<b>Excess Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ 156,010</u>	<u>\$ 156,010</u>	<u>\$ -</u>
			Original Authorized Cost	

**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	702,000
	<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	92%
Original Target Completion Date	2016/17



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**PROPRIETARY FUNDS**

**WALL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS - NON MAJOR  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2017**

	<u>Before and After School Programs</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 74,756
Accounts Receivable	<u>2,587</u>
Total Current Assets	<u>77,343</u>
Total Assets	<u>77,343</u>
<b>LIABILITIES</b>	
Unearned Revenue	<u>572</u>
Total Liabilities	<u>572</u>
<b>NET POSITION</b>	
Unrestricted	<u>76,771</u>
Total Net Position	<u>\$ 76,771</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, 2017**

	<u>Before and After School Programs</u>
<b>OPERATING REVENUES</b>	
Charges for Services	
Program Fees	\$ 404,372
Total Operating Revenues	<u>404,372</u>
<b>OPERATING EXPENSES</b>	
Salaries and Employee Benefits	287,475
Purchased Property Services	75,900
Supplies and Materials	6,272
Other Purchased Services	10,397
Miscellaneous Expenditures	<u>3,030</u>
Total Operating Expenses	<u>383,074</u>
Operating Income/Change in Net Position	21,298
Total Net Position, Beginning of Year	<u>55,473</u>
Total Net Position, End of Year	<u>\$ 76,771</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS - NON MAJOR  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Before and After School Programs</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 411,093
Payments to Employees' Salaries and Benefits	(292,342)
Payments to Suppliers for Goods and Services	<u>(95,599)</u>
Net Cash Provided by Operating Activities	<u>23,152</u>
Net Increase in Cash and Cash Equivalents	23,152
Cash and Cash Equivalents, Beginning of Year	<u>51,604</u>
Cash and Cash Equivalents, End of Year	<u>\$ 74,756</u>
<b>Reconciliation of Operating Income to Net Provided by Operating Activities</b>	
Operating Income	<u>\$ 21,298</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	7,874
Increase/(Decrease) in Accounts Payable	(4,867)
Increase/(Decrease) in Unearned Revenue	<u>(1,153)</u>
Total Adjustments	<u>1,854</u>
Net Cash Provided by Operating Activities	<u>\$ 23,152</u>

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**FIDUCIARY FUNDS**

**WALL TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 259,098	\$ 58,944	\$ 318,042
Cash Held by Trustee		4,109	4,109
Other Accounts Receivable	8,279	-	8,279
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 267,377</u>	<u>\$ 63,053</u>	<u>\$ 330,430</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 58,944	\$ 58,944
Flexible Spending (Sect. 125) Plan		4,109	4,109
Due to Student Groups	\$ 249,476		249,476
Accounts Payable	17,901	-	17,901
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 267,377</u>	<u>\$ 63,053</u>	<u>\$ 330,430</u>



**WALL TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
<b>ELEMENTARY SCHOOL</b>				
Wall Central	\$ 4,882	\$ 952	\$ 1,831	\$ 4,003
Total Elementary School	<u>4,882</u>	<u>952</u>	<u>1,831</u>	<u>4,003</u>
<b>MIDDLE SCHOOL</b>				
Wall Intermediate School	52,041	286,819	300,851	38,009
Athletic Account	<u>4,372</u>	<u>18,966</u>	<u>17,737</u>	<u>5,601</u>
Total Middle School	<u>56,413</u>	<u>305,785</u>	<u>318,588</u>	<u>43,610</u>
<b>HIGH SCHOOL</b>				
Wall High School	194,789	503,076	488,902	208,963
Athletic Account	1,336	121,404	120,218	2,522
Driver Education	<u>6,572</u>	<u>3,900</u>	<u>10,472</u>	<u>-</u>
Total High School	<u>202,697</u>	<u>628,380</u>	<u>619,592</u>	<u>211,485</u>
Total All Schools	<u>\$ 263,992</u>	<u>\$ 935,117</u>	<u>\$ 940,011</u>	<u>\$ 259,098</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance, July 1, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2017</u>
<b>ASSETS</b>				
Cash	\$ 29,777	\$ 48,372,710	\$ 48,343,543	\$ 58,944
Cash Held by Trustee	<u>6,155</u>	<u>47,039</u>	<u>49,085</u>	<u>4,109</u>
 Total Assets	 <u>\$ 35,932</u>	 <u>\$ 48,419,749</u>	 <u>\$ 48,392,628</u>	 <u>\$ 63,053</u>
 <b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 29,777	\$ 21,559,249	\$ 21,530,082	\$ 58,944
Accrued Salaries and Wages		26,813,461	26,813,461	
Flexible Spending (Sect. 125) Account	<u>6,155</u>	<u>47,039</u>	<u>49,085</u>	<u>4,109</u>
 Total Liabilities	 <u>\$ 35,932</u>	 <u>\$ 48,419,749</u>	 <u>\$ 48,392,628</u>	 <u>\$ 63,053</u>

**LONG-TERM DEBT**

WALL TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Paid</u>	<u>Balance, June 30, 2017</u>
Pension Refunding Bonds	7/3/2012	\$ 3,790,000	7/15/2017	\$ 390,000	2.116 %			
			7/15/2018	395,000	2.440			
			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	\$ 2,695,000	\$ 380,000	\$ 2,315,000
School Refunding Bonds	4/22/2015	17,515,000	7/15/2017	1,930,000	4.000			
			7/15/2018	2,020,000	4.000			
			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			
						17,290,000	1,865,000	15,425,000
Totals						\$ 19,985,000	\$ 2,245,000	\$ 17,740,000
Paid by Budget Appropriation						\$	\$ 2,245,000	\$

WALL TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Issue</u>	<u>Amount of Lease</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2016</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
2015 School Buses (3)	\$ 266,760	2.350%	\$ 107,899	\$ 53,323	\$ 54,576
2014 School Buses (3)	173,868	2.000%	70,244	34,772	35,472
2016 School Buses (2)	120,698	2.380%	72,976	23,755	49,221
2015 School Bus	84,666	2.380%	51,191	16,664	34,527
Various Equipment	70,000	2.493%	55,455	13,356	42,099
2016 School Buses (4)	267,000	2.110%	267,000	108,094	158,906
	<u>\$ 982,992</u>		<u>\$ 624,765</u>	<u>\$ 249,964</u>	<u>\$ 374,801</u>

Paid by Budget Appropriation      \$ 249,964

**WALL TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,319,371		\$ 2,319,371	\$ 2,319,371	
State Sources					
Debt Service Aid - Type II	<u>740,606</u>	<u>-</u>	<u>740,606</u>	<u>740,606</u>	<u>-</u>
Total Revenues	<u>3,059,977</u>	<u>-</u>	<u>3,059,977</u>	<u>3,059,977</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	2,245,000		2,245,000	2,245,000	
Interest	<u>814,977</u>	<u>-</u>	<u>814,977</u>	<u>814,977</u>	<u>-</u>
Total Expenditures	<u>3,059,977</u>	<u>-</u>	<u>3,059,977</u>	<u>3,059,977</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>2,213</u>	<u>-</u>	<u>2,213</u>	<u>2,213</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,213</u>	<u>-</u>	<u>\$ 2,213</u>	<u>\$ 2,213</u>	<u>-</u>

**Recapitulation of Fund Balance**

Restricted for Debt Service:

    Designated for Subsequent Year's

    Expenditures (2017/18 Budget) \$ 2,213

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## 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
				(Restated)	(Restated)		(Restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 4,231,177	\$ 4,636,074	\$ 4,692,837	\$ 5,020,977	\$ 10,479,420	\$ 12,332,608	\$ 13,242,009	\$ 16,176,888	\$ 17,202,958	\$ 20,289,759
Restricted	46,036	36,034	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297	5,712,617	6,045,607
Unrestricted	(5,058,281)	(5,774,026)	(3,773,176)	(4,124,667)	(3,817,074)	(2,778,148)	(23,633,552)	(24,643,354)	(25,626,679)	(28,205,105)
Total Governmental Activities Net Position	\$ (781,068)	\$ (1,101,918)	\$ 919,662	\$ 1,796,311	\$ 10,205,982	\$ 14,006,692	\$ (6,078,701)	\$ (4,057,169)	\$ (2,711,104)	\$ (1,869,739)
Business-Type Activities										
Net Investment in Capital Assets	\$ 166,329	\$ 161,364	\$ 137,373	\$ 115,315	\$ 144,719	\$ 136,138	\$ 124,473	\$ 110,091	\$ 96,696	\$ 85,760
Restricted	191,336	125,316	300,982	343,426	190,941	74,313	28,543	22,394	96,832	181,057
Unrestricted	(357,665)	(286,680)	(438,355)	(458,741)	(335,660)	(210,451)	(153,016)	(132,485)	(193,528)	(266,817)
Total Business-Type Activities Net Position	\$ (160,999)	\$ (101,680)	\$ (100,982)	\$ (90,060)	\$ (100,009)	\$ (104,760)	\$ (124,483)	\$ (140,780)	\$ (96,832)	\$ (81,060)
District-Wide										
Net Investment in Capital Assets	\$ 4,397,506	\$ 4,797,438	\$ 4,830,210	\$ 5,136,292	\$ 10,624,139	\$ 12,468,746	\$ 13,366,482	\$ 16,286,979	\$ 17,299,654	\$ 20,375,519
Restricted	46,036	36,034	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297	5,712,617	6,045,607
Unrestricted	(4,866,945)	(5,648,710)	(3,472,194)	(3,781,241)	(3,626,133)	(2,703,835)	(23,605,009)	(24,620,960)	(25,529,847)	(28,024,048)
Total District Net Position	\$ (423,403)	\$ (815,238)	\$ 1,358,017	\$ 2,255,052	\$ 10,541,642	\$ 14,217,143	\$ (5,925,685)	\$ (3,924,684)	\$ (2,517,576)	\$ (1,602,922)

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 26,137,360	\$ 24,916,832	\$ 25,585,769	\$ 24,533,774	\$ 23,679,968	\$ 26,404,404	\$ 26,886,838	\$ 31,427,530	\$ 33,698,651	\$ 37,630,745
Special Education	9,875,680	9,974,490	10,707,746	10,187,341	10,601,160	11,222,939	11,694,226	13,806,763	15,035,647	17,072,291
Vocational - Tuition	666,453	567,760	461,999	559,918	527,268	647,315	654,740	600,106	590,722	593,542
Other Instruction	1,053,869	962,885	1,089,638	1,045,098	941,861	1,196,910	1,141,619	1,393,728	1,609,390	1,651,386
School Sponsored Activities And Athletics	1,433,062	1,354,983	1,501,331	1,257,907	1,203,233	1,300,140	1,279,499	1,601,878	1,788,657	2,036,227
<b>Support Services:</b>										
<b>Tuition</b>										
Student and Instruction Related Services	7,906,218	7,677,886	7,089,360	7,461,253	7,976,619	8,303,915	8,809,469	9,205,306	9,982,279	11,073,493
General Administration	1,654,961	1,759,045	1,626,202	1,898,407	2,407,858	2,326,711	2,045,764	2,368,038	2,199,742	2,374,618
School Administration	3,659,138	3,406,781	3,735,812	3,735,812	3,913,563	3,725,116	3,913,365	4,530,340	4,729,551	5,172,594
Plant Operations and Maintenance	6,842,040	7,198,339	7,241,122	6,958,237	6,812,914	6,380,777	7,207,497	7,079,295	7,452,065	8,476,832
Student Transportation	4,529,972	4,589,563	4,814,104	4,572,641	4,357,476	5,074,791	4,999,220	4,904,733	5,036,208	5,644,337
Business/Central and Other Support Services	1,711,943	1,826,970	1,720,850	1,735,668	2,068,366	1,485,789	1,620,047	1,642,036	1,582,559	1,428,365
Unallocated Health Benefits			22,291	24,208	35,105	-	-	-	-	-
Charter Schools	9,939									
Capital Outlay	1,704,444	1,462,363	1,588,257	1,485,207	1,390,293	1,188,740	1,075,778	913,993	866,935	413,056
Interest On Long-Term Debt										
Unallocated Depreciation	67,185,079	65,697,917	67,184,481	65,938,312	65,913,684	69,237,547	71,328,062	79,473,746	84,572,406	93,567,486
<b>Total Governmental Activities Expenses</b>	<b>1,745,112</b>	<b>1,736,234</b>	<b>1,624,853</b>	<b>1,662,029</b>	<b>1,643,042</b>	<b>1,554,034</b>	<b>1,483,915</b>	<b>1,469,775</b>	<b>1,484,453</b>	<b>1,489,665</b>
<b>Business-Type Activities:</b>										
Food Service	1,745,112	1,736,234	1,624,853	1,662,029	1,643,042	1,554,034	1,483,915	1,469,775	1,484,453	1,489,665
After School Prep Enterprise Fund	68,930,191	67,434,151	68,809,334	67,608,469	67,561,649	70,815,106	72,820,613	80,957,523	86,360,650	95,440,225
Total Business-Type Activities Expense	70,675,303	69,170,385	70,434,187	69,270,498	69,123,291	72,369,138	74,304,528	82,427,298	87,845,103	96,930,890
Total District Expenses	72,420,415	70,866,619	72,069,040	70,932,527	70,746,533	73,923,172	76,289,446	84,897,073	90,329,556	98,420,755
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:	\$ 60,200	\$ 41,026	\$ 95,669	\$ 133,908	\$ 113,705	\$ 247,878	\$ 348,355	\$ 411,303	\$ 411,075	\$ 534,055
Instruction (Tuition)	3,478		400							
Pupil Transportation	17,227	12,245	12,190	19,695	12,153	16,005	20,300	25,552	44,570	111,727
Rentals	11,108,603	9,542,944	11,387,092	7,705,274	10,183,257	11,336,418	10,619,298	17,563,405	21,150,066	27,095,553
Operating Grants And Contributions				462,141	618,546			766,032	35,109	817,496
Capital Grants And Contributions				8,321,018	10,927,661	11,600,301	10,987,953	18,766,292	21,640,820	28,538,831
Total Governmental Activities Program Revenues	11,189,508	9,596,215	11,495,351	8,321,018	10,927,661	11,600,301	10,987,953	18,766,292	21,640,820	28,538,831

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business-Type Activities:</b>										
Changes For Services	\$ 1,463,200	\$ 1,472,706	\$ 1,560,057	\$ 1,476,526	\$ 1,286,694	\$ 1,193,478	\$ 1,176,974	\$ 1,213,004	\$ 1,243,504	\$ 1,238,939
Food Service					10,775	4,475	15,100	19,080	334,296	404,372
After School Prep Programs	126,751	190,488	215,632	213,031	228,166	234,397	243,042	231,162	271,487	282,717
Operating Grants And Contributions										
Capital Grants And Contributions	1,589,951	1,663,174	1,775,689	1,689,557	1,525,635	1,452,350	1,435,116	1,463,246	1,849,287	1,946,028
Total Business-Type Activities Program Revenues	\$ 12,779,459	\$ 11,259,389	\$ 13,271,040	\$ 10,010,575	\$ 12,453,296	\$ 13,032,651	\$ 12,423,069	\$ 20,229,538	\$ 23,490,107	\$ 30,504,859
Total District Program Revenues										
Net (Expense)/Revenue	\$ (55,995,571)	\$ (56,101,702)	\$ (55,689,130)	\$ (57,617,294)	\$ (54,986,023)	\$ (57,657,246)	\$ (60,340,109)	\$ (60,707,454)	\$ (62,931,586)	\$ (65,008,655)
Governmental Activities	(155,161)	(73,060)	150,836	19,400	(122,330)	(125,209)	(57,435)	(20,531)	61,043	73,289
Business-Type Activities	\$ (56,150,732)	\$ (56,174,762)	\$ (55,538,294)	\$ (57,597,894)	\$ (55,108,353)	\$ (57,782,455)	\$ (60,397,544)	\$ (60,727,985)	\$ (62,870,543)	\$ (64,935,366)
Total District-Wide Net Expense										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 50,214,120	\$ 52,222,685	\$ 54,311,592	\$ 55,717,349	\$ 57,154,069	\$ 58,296,691	\$ 58,578,533	\$ 59,750,104	\$ 60,945,106	\$ 62,797,547
Taxes Levied For Debt Service	2,286,017	2,291,353	2,269,044	2,452,623	2,465,751	2,476,947	2,430,941	2,406,906	2,471,421	2,319,371
State Sources	1,780,288	1,073,795	981,529	480,933	457,961	475,930	491,611	496,096	497,916	460,086
Investment Earnings	145,213	26,700	10,293	12,160	461	845	-	-	-	7,995
Miscellaneous Income	125,798	57,208	138,252	71,500	230,558	207,543	163,987	75,880	363,208	265,021
Total Governmental Activities	\$ 54,551,436	\$ 55,671,741	\$ 57,710,710	\$ 58,734,565	\$ 60,308,800	\$ 61,457,956	\$ 61,685,072	\$ 62,728,986	\$ 64,277,651	\$ 65,850,020
Business-Type Activities:										
Investment Earnings	\$ 10,586	\$ 2,075	\$ 839	\$ 986	\$ 33	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	10,386	2,075	839	986	33	-	-	-	-	-
Total Business-Type Activities	\$ 54,562,022	\$ 55,673,816	\$ 57,711,549	\$ 58,735,551	\$ 60,308,833	\$ 61,457,956	\$ 61,685,072	\$ 62,728,986	\$ 64,277,651	\$ 65,850,020
Total District-Wide										
Change in Net Position	(1,444,135)	(429,961)	2,021,580	1,117,271	5,322,777	3,800,710	1,344,963	2,021,532	1,346,065	841,365
Governmental Activities	(144,575)	(70,985)	151,675	20,386	(122,297)	(125,209)	(57,435)	(20,531)	61,043	73,289
Business-Type Activities	\$ (1,588,710)	\$ (500,946)	\$ 2,173,255	\$ 1,137,657	\$ 5,200,480	\$ 3,675,501	\$ 1,287,528	\$ 2,001,001	\$ 1,407,108	\$ 914,654
Total District										

Source: District's financial statements

WALL TOWNSHIP BOARD OF EDUCATION  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS

(Unaudited)  
 (modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 983,531	\$ 1,511,629	\$ 715,926							
Unreserved	1,701,119	1,214,179	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
Committed				522,240					473,561	554,785
Assigned				1,547,986	1,735,441	420,888	481,259	380,336	250,573	113,521
Unassigned				965,959	742,020	639,060	777,632	756,726	838,479	851,602
Total General Fund	\$ 2,684,650	\$ 1,365,808	\$ 3,040,129	\$ 4,539,733	\$ 6,291,000	\$ 7,337,395	\$ 6,840,015	\$ 5,914,238	\$ 5,912,218	\$ 7,208,853
All Other Governmental Funds										
Reserved	\$ 431,880	\$ 31,876								
Unreserved	36,485	36,033				\$ 57,096	\$ 614,029	\$ 230,621	\$ 1,618,425	\$ 388,575
Restricted										
Assigned										
Total All Other Governmental Funds	\$ 468,365	\$ 67,909	\$ -	\$ -	\$ -	\$ 57,096	\$ 614,029	\$ 230,621	\$ 1,618,425	\$ 388,575

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax Levy	\$ 52,500,137	\$ 54,514,038	\$ 56,580,636	\$ 58,169,972	\$ 59,619,820	\$ 60,773,638	\$ 61,029,474	\$ 62,157,010	\$ 63,416,527	\$ 65,116,918
Tuition Charges	60,200	41,026	95,669	133,908	113,705	247,878	348,355	411,303	411,075	534,055
Interest Earnings	145,213	26,700	10,293	12,160	461	845	-	-	-	7,995
Transportation	3,478	-	400	-	-	-	-	-	-	-
Rental Fees	17,227	12,245	12,190	19,695	12,153	16,005	20,300	25,552	44,570	111,727
Miscellaneous	125,798	57,208	138,252	542,601	236,891	236,497	164,451	95,127	386,498	275,944
State Sources	11,828,797	9,413,655	10,301,744	7,200,310	9,387,851	10,547,280	9,658,196	11,437,055	11,781,724	13,704,580
Federal Sources	1,060,094	1,203,083	2,066,877	976,937	1,865,580	1,236,114	1,452,249	1,294,798	1,320,511	1,270,302
<b>Total Revenue</b>	<b>65,740,944</b>	<b>65,267,955</b>	<b>69,206,061</b>	<b>67,055,583</b>	<b>71,236,461</b>	<b>73,058,257</b>	<b>72,673,025</b>	<b>75,420,845</b>	<b>77,360,905</b>	<b>81,021,521</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	24,763,900	23,470,744	24,164,327	22,643,230	24,046,276	26,636,286	26,785,953	27,611,387	28,330,042	29,244,160
Special Education Instruction	9,875,680	9,974,490	10,707,746	10,000,663	10,735,197	11,314,962	11,689,276	12,393,841	12,971,052	13,786,105
Vocational Education - Tuition	666,453	567,760	461,999	559,918	527,268	647,315	654,740	600,106	590,722	593,542
Other Instruction	1,053,869	962,885	1,089,638	1,019,174	958,176	1,209,783	1,140,986	1,215,187	1,341,752	1,266,809
School Sponsored Activities and Athletics	1,433,062	1,354,983	1,501,331	1,231,551	1,220,598	1,311,222	1,278,933	1,430,623	1,535,470	1,621,365
<b>Support Services:</b>										
Student and Instruction Related Services	7,879,127	7,651,206	7,070,492	7,259,672	7,960,582	8,220,607	8,666,001	8,780,042	9,224,273	9,390,598
General Administration	1,642,535	1,746,013	1,612,823	1,867,390	1,396,685	1,190,212	1,041,049	1,229,571	1,010,506	1,090,756
School Administration	3,589,982	3,548,513	3,689,329	4,149,223	3,976,702	3,764,603	3,911,335	4,138,822	4,193,626	4,208,259
Plant Operations and Maintenance	6,732,435	7,089,301	7,125,476	6,755,201	6,871,107	6,408,965	7,191,146	6,985,188	7,212,942	7,634,816
Student Transportation	4,533,412	4,588,496	4,596,486	4,478,553	4,180,808	4,871,035	4,788,564	4,616,572	4,647,740	4,914,773
Business/Central and Other Support Services	1,708,837	1,823,712	1,717,505	1,700,434	2,091,182	1,498,608	1,619,340	1,619,747	1,520,373	1,351,770
Charter Schools	9,939	-	22,291	24,208	35,105	-	-	-	-	-
Capital Outlay	1,149,524	974,519	268,419	146,712	1,776,062	1,299,310	913,464	2,894,328	310,619	2,531,137
<b>Debt Service:</b>										
Principal	1,746,307	2,078,532	2,148,256	2,231,750	2,314,307	2,425,617	2,289,989	2,391,273	2,730,213	2,494,964
Interest and Other Charges	1,652,418	1,633,354	1,582,727	1,488,300	1,395,139	1,241,559	1,083,524	1,008,707	692,791	825,682
Bond Issuance Costs	-	-	-	-	-	-	-	188,580	-	-
Payments to Escrow Agent	-	-	-	-	-	-	-	387,316	-	-
<b>Total Expenditures</b>	<b>68,437,480</b>	<b>67,464,508</b>	<b>67,758,845</b>	<b>65,555,979</b>	<b>69,485,194</b>	<b>72,040,084</b>	<b>73,054,100</b>	<b>77,511,290</b>	<b>76,312,121</b>	<b>80,954,736</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,696,536)</b>	<b>(2,196,553)</b>	<b>1,447,216</b>	<b>1,499,604</b>	<b>1,751,267</b>	<b>1,018,173</b>	<b>(381,075)</b>	<b>(2,090,445)</b>	<b>1,048,784</b>	<b>66,785</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)		\$ 487,752	\$ 159,196			\$ 3,790,000	\$ 440,628	\$ 205,364	\$ 337,000	
Proceeds From Refunding						(3,704,682)	-	17,515,000		
Payments To Escrow Agent								(19,335,000)		
Original Issue Premiums								2,395,896		
Lease Purchase Proceeds	\$ 1,410,000									
Transfers In	13,503	1,633	31,876	\$ 834,347	\$ 592,789	-	826,800	826,800	1,434,780	
Transfers Out	(13,503)	(1,633)	(31,876)	(834,347)	(592,789)	-	(826,800)	(826,800)	(1,434,780)	
<b>Total Other Financing Sources (Uses)</b>	<b>1,410,000</b>	<b>487,752</b>	<b>159,196</b>	<b>-</b>	<b>85,318</b>	<b>-</b>	<b>440,628</b>	<b>781,260</b>	<b>337,000</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,286,536)</b>	<b>\$ (1,708,801)</b>	<b>\$ 1,606,412</b>	<b>\$ 1,499,604</b>	<b>\$ 1,751,267</b>	<b>\$ 1,103,491</b>	<b>\$ 59,553</b>	<b>\$ (1,309,185)</b>	<b>\$ 1,385,784</b>	<b>\$ 66,785</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.05%</b>	<b>5.58%</b>	<b>5.53%</b>	<b>5.69%</b>	<b>5.48%</b>	<b>5.18%</b>	<b>4.68%</b>	<b>4.56%</b>	<b>4.50%</b>	<b>4.23%</b>

\* 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 Cancelled Payables	Transportation	Rentals	Insurance Proceeds	Grant Proceeds for Prior Year		E-Rate	Total
									Capital Projects	Miscellaneous		
2008	\$ 60,200		\$ 131,682			\$ 3,478	\$ 17,227		\$ 86,613		\$	\$ 299,200
2009	41,026		25,020				12,245		37,578			115,869
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		54,007	\$ 153,536		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		52,855	114,212		918,798

Source: District's financial statements



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

Fiscal Year Ended June 30,	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 <sup>a</sup>
2008	\$ 101,487,000	\$ 2,916,601,400	\$ 31,881,200	\$ 956,400	\$ 656,360,100	\$ 124,595,000	\$ 23,878,700	\$ 3,855,759,800	\$ 4,506,468	\$ 3,860,266,268	\$ 6,847,724,754	\$ 1.386
2009	89,393,400	2,938,583,000	32,679,300	956,400	662,787,500	135,949,000	23,177,800	3,883,526,400	5,583,269	3,889,109,669	6,677,126,189	1.428
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

Source: County Abstract of Rates

<sup>a</sup> 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>
2008	\$ 2.473	\$ 1.386	\$ 0.459	\$ 0.568	\$ 0.060
2009	2.522	1.428	0.584	0.450	0.060
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

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	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Wall Herald Corporation	\$ 44,811,700	1.200%	\$ 38,028,600	0.980%
Mack Cali Corp. Mack Cali Realty Corp.	43,300,200	1.160%	27,859,700	0.720%
Horizon Blue Cross Blue Shield	39,962,900	1.070%	19,621,700	0.510%
State St Bank C/o NING John Leshak	36,142,900	0.968%	17,600,000	0.460%
Sea Girt LP C/o Sher Partners	25,258,900	0.676%	17,434,300	0.450%
What's Your Racquet, Inc.	25,199,000	0.675%	15,923,400	0.410%
NP Wall Towne Center	21,453,200	0.575%	14,231,600	0.370%
Levicom Wall Plaza Assoc.	19,750,000	0.529%	13,883,900	0.360%
1330 Campus Parkway, LLC	16,655,700	0.446%	13,900,000	0.360%
Spring Lake Gardens, Inc.	15,243,700	0.408%	12,917,800	0.340%
	<u>\$ 287,778,200</u>	<u>7.707%</u>	<u>\$ 191,401,000</u>	<u>4.960%</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	
2008	\$ 52,500,137	\$ 51,000,137	97.14%	\$ 1,500,000
2009	54,514,038	54,514,038	100.00%	
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%	

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			
2008	\$ 37,745,000	\$ 1,564,762	\$ 39,309,762	26,135	\$ 1,504
2009	36,125,000	1,593,982	37,718,982	26,142	1,443
2010	34,410,000	1,319,922	35,729,922	26,167	1,365
2011	32,610,000	888,172	33,498,172	26,107	1,283
2012	30,715,000	468,865	31,183,865	26,070	1,196
2013	28,825,000	33,248	28,858,248	26,071	1,107
2014	26,660,000	348,887	27,008,887	26,025	1,038
2015	22,575,000	427,978	23,002,978	26,055	883
2016	19,985,000	624,765	20,609,765	25,987	793
2017	17,740,000	374,801	18,114,801	25,987 Est.	697

Source: District records

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

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2008	\$ 37,745,000		\$ 37,745,000	0.55%	\$ 1,444
2009	36,125,000		36,125,000	0.54%	1,382
2010	34,410,000		34,410,000	0.55%	1,315
2011	32,610,000		32,610,000	0.53%	1,249
2012	30,715,000		30,715,000	0.50%	1,178
2013	28,825,000		28,825,000	0.51%	1,106
2014	26,660,000		26,660,000	0.47%	1,024
2015	22,575,000		22,575,000	0.40%	866
2016	19,985,000		19,985,000	0.34%	769
2017	17,740,000		17,740,000	0.29%	683

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, 2016  
(Unaudited)**

Net Debt

Municipal Debt: (1)	
Wall Township Board of Education (as of June 30, 2017)	\$ 17,740,000
Township of Wall	<u>33,789,243</u>
	<u>51,529,243</u>
Overlapping Debt Apportioned to the Municipality:	
Monmouth County:	
County of Monmouth(A)	<u>25,079,165</u>
	<u>25,079,165</u>
Total Direct and Overlapping Debt	<u>\$ 76,608,408</u>

## Source:

(1) Township's 2016 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2016 equalized value by the total 2016 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 2017

Equalized Valuation Basis

2016	\$ 5,916,116,544
2015	5,708,641,355
2014	5,609,047,098
	<u>\$ 17,233,804,997</u>
	\$ 5,744,601,666

Average Equalized Valuation Of Taxable Property

Debt Limit (4% of Average Equalization Value)

Total Net Debt Applicable to Limit

Legal Debt Margin

	229,784,067
	17,740,000
	<u>\$ 212,044,067</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 242,459,320	\$ 259,449,192	\$ 267,480,885	\$ 260,484,556	\$ 254,181,622	\$ -	\$ 230,438,397	\$ 223,407,044	\$ 223,373,044	\$ 229,784,067
Total Net Debt Applicable To Limit	27,965,000	31,450,000	29,965,000	28,405,000	26,760,000	25,035,000	23,230,000	19,510,000	19,985,000	17,740,000
Legal Debt Margin	\$ 214,494,320	\$ 227,999,192	\$ 237,515,885	\$ 232,079,556	\$ 227,421,622	\$ (25,035,000)	\$ 207,208,397	\$ 203,897,044	\$ 203,388,044	\$ 212,044,067

Total Net Debt Applicable to the Limit  
 as a Percentage of Debt Limit

	11.53%	12.12%	11.20%	10.90%	10.53%	#DIV/0!	10.08%	8.73%	8.95%	7.72%
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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>
2008	26,135	\$ 59,615	3.50%
2009	26,142	57,337	8.00%
2010	26,167	57,873	8.00%
2011	26,107	61,039	8.10%
2012	26,070	63,001	8.00%
2013	26,071	63,067	8.40%
2014	26,025	66,019	7.00%
2015	26,055	69,410	5.37%
2016	25,987	69,410 (E)	4.90%
2017	25,987 (E)	N/A	4.30%

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>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Wall Township Board of Education				
NJ Natural Gas Co.		NOT AVAILABLE		NOT AVAILABLE
Horizon/Blue Shield				
Wedgewood				
Air Cruisers				
Cablevision of Monmouth				
Township of Wall				
Adam Spence Company				
		<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>2008</u>	<u>2009</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>
Instruction										
Regular	446	453	453	394	258	256.5	260.0	275.0	274.1	270.5
Special Education				1	73	90.0	145.5	161.0	156.3	160.8
Other Special Education					52	53.0	-			
Other Instruction					158	158.0	157.0	155.0	164.0	194.0
Support Services:										
Student and Instruction Related Services	129	128	75	76	87	90.0	91.5	104.5	98.8	121.6
General Administration	7	7	7	6	4	4.0	4.0	6.0	6.0	6.0
School Administrative Services	12	11	11	10	31	31.0	30.0	30.0	30.0	31.0
Other Administrative Services	18	19	19	9						
Central Services	12	9	9	9	9	8.0	8.0	7.0	7.0	7.0
Administrative Information Technology	7	6	6	5	5	6.0	5.0	6.0	6.0	6.0
Plant Operations And Maintenance	60	60	113	87	87	86.5	88.0	99.0	103.9	98.6
Pupil Transportation	78	78	78	87	66	66.9	66.0	67.6	66.1	63.5
Total	<u>769</u>	<u>771</u>	<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>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School					
2008	4,309.0	\$ 63,889,231	\$ 14,827	8.22%	369.00	1:11.4	1:11.2	1:11.8	4,284.6	4,036.9	-4.01%	94.22%	
2009	4,313.0	62,778,103	14,556	-1.83%	362.00	1:10.4	1:11.5	1:11.6	4,297.9	4,111.3	0.31%	95.66%	
2010	4,265.5	63,761,976	14,948	2.70%	379.00	1:11.8	1:12.2	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	1:08.8	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%	

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>District Building</b>										
<b>Elementary</b>										
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	485	466	436	409	401	387	359	348	348	380
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	624	618	608	558	533	495	506	507	504	522
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	504	507	490	485	456	434	434	420	402	404
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	213	231	216	214	232	221	212	199	203	186
<b>Middle School</b>										
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	1,030	1,005	1,055	1,045	1,038	990	940	921	887	811
<b>High School</b>										
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	1,355	1,389	1,371	1,318	1,224	1,220	1,197	1,184	1,190	1,100
<b>Primary</b>										
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	81	70	70	47	48	50	36	50	55	57

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other										
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, 2017  
 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)

Project # (s)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>School Facilities</b>										
Wall High School	\$ 135,012	\$ 161,647	\$ 118,926	\$ 174,714	\$ 665,666	\$ 222,767	\$ 147,150	\$ 77,780	\$ 102,842	\$ 136,799
Allenwood School	27,553	57,719	52,364	38,650	42,581	16,597	60,219	35,542	35,969	29,623
Central Elementary	67,408	84,721	29,529	45,986	62,692	27,239	59,643	48,246	49,712	51,100
Wall Intermediate	66,991	150,904	125,729	71,190	114,269	28,520	82,433	89,364	45,122	108,071
Old Mill	31,661	39,811	38,841	54,720	39,695	25,210	54,979	47,601	39,956	187,116
Primary	16,905	20,717	8,981	22,545	20,040	1,374	28,113	28,745	16,272	6,157
West Belmar	3,675	34,029	33,555	34,623	31,764	20,897	59,345	31,011	31,551	31,747
<b>Total School Facilities</b>	<b>\$ 349,205</b>	<b>\$ 549,548</b>	<b>\$ 407,925</b>	<b>\$ 442,428</b>	<b>\$ 976,707</b>	<b>\$ 342,604</b>	<b>\$ 491,882</b>	<b>\$ 358,289</b>	<b>\$ 321,424</b>	<b>\$ 550,613</b>

Source: District Records

**WALL TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2017  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy</b>		
<b>School Excess Liability Joint Insurance Fund</b>		
Property Blanket Bldg. & Contents	\$ 109,411,946	\$ 5,000
Program Blanket Limit	250,000,000	5,000
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
<b>Computers &amp; Schedule Equipment</b>		
<b>School Excess Liability Joint Insurance Fund</b>		
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
<b>Boiler &amp; Machinery - School Excess Joint Insurance Fund</b>		
Property Damage	\$ 100,000,000 Blanket Limit	5,000
<b>Umbrella Excess Liability</b>		
School Excess - Umbrella Policy	5,000,000	None
Liability Fund - Fireman's Fund	50,000,000	None
<b>School Board Legal Liability - Ace USA</b>		
Directors & Officers Policy	5,000,000	10,000
<b>Public Official Bond - Pablo D. Canela</b>		
	350,000	None
<b>Public Official Bond - Brian J. Smyth</b>		
	350,000	None
<b>Automobile &amp; Trucks</b>		
School Excess Liability Joint Insurance Fund	5,000,000	Comp./Coll. 1,000/1,000

Source: District records



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**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  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA, PSA

**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 Trustees  
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, 2017 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 November 15, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Wall Township 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

### **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 an instance of noncompliance or other matters that is 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 and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

We also 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 November 15, 2017.

### **Wall Township Board of Education's Response to Findings**

The Wall Township Board of Education's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Wall Township Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

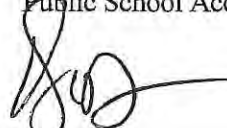
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wall Township Board of Education's internal control or on compliance. This report is an integral part 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*

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Public School Accountants



Donna L. Japhet

Public School Accountant

PSA Number CS002314

Fair Lawn, New Jersey  
November 15, 2017



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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SHERYL M. NICOLosi, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND 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**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Trustees  
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 Wall Township Board of Education's major federal and state programs for the fiscal year ended June 30, 2017. 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, 2017.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal and state program is not modified with respect to these matters.

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

### **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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules 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**

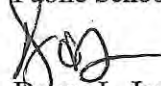
We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wall Township Board of Education as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 15, 2017, 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.

*Leach, Vinci & Higgins, LLP*

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Public School Accountants



Denna L. Japhet

Public School Accountant

PSA Number CS002314

Fair Lawn, New Jersey  
November 15, 2017

WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016	Cash Received	Adjustment-Carryover Receivable	Adjustment-Carryover Deferred Revenue	Budgetary Expenditures	Adjustments	(Accounts Receivable)	Balance, June 30, 2017	Due to Grantor	Memorandum GAAP Receivable
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
<b>Special Revenue Fund:</b>															
NCLB Title I	84.010A		NCLB5420-16	7/1/15-6/30/16	\$ 269,198	\$ (98,108)	\$ 98,108	\$ 100,660	\$ (100,660)	\$ 317,945		\$	\$ (153,976)	\$ 92,226	\$ (61,750)
NCLB Title I	84.010A	S010A150030	NCLB5420-17	7/1/16-6/30/17	309,511	(7,991)	256,195	(100,660)	(2,845)						
NCLB Title IIA	84.367		NCLB5420-16	7/1/15-6/30/16	38,956		7,991	2,845							
NCLB Title IIA	84.367	S367A150029	NCLB5420-17	7/1/16-6/30/17	35,068		22,416	(2,845)	2,845	28,784			(15,497)	9,129	(6,368)
NCLB Title III	84.365		NCLB5420-16	7/1/15-6/30/16	15,775	(10,803)	10,803	13,697	(13,697)					198	
NCLB Title III	84.365	S365A150030	NCLB5420-17	7/1/16-6/30/17	17,043		7,445	(13,697)	13,697	15,838			(23,295)	14,902	(8,393)
<b>IDEA Part B Basic</b>															
IDEA Part B Basic	84.027	H027A150100	IDEA542016	7/1/15-6/30/16	890,803	(312,557)	312,557	47,103	(47,103)						
IDEA Part B Basic	84.027		IDEA542015	7/1/16-6/30/15	874,910	10,361		(47,103)		830,000		(241,308)		10,361	(167,696)
IDEA Part B Basic	84.027	H027A150100	IDEA542017	7/1/16-6/30/17	856,509	(14,097)	662,304	3,971	(3,971)						
IDEA Part B, Preschool	84.173		IDEA542016	7/1/15-6/30/16	49,689		14,097	3,971		34,017			(18,921)	19,921	
IDEA Part B, Preschool	84.173	H173A150114	IDEA542017	7/1/16-6/30/17	49,987	(316,293)	1,022,975	(3,971)	3,971	864,017		(261,229)		102,894	(167,696)
<b>Special Education IDEA Cluster</b>															
<b>Total Special Revenue Fund</b>															
					(433,195)	1,425,933				1,226,584	198	(452,997)	220,349		(244,207)
<b>U.S. Department of Agriculture</b>															
<b>Passed-through State Department of Education</b>															
<b>Enterprise Fund:</b>															
Food Distribution Program (Non-Cash Assistance)	10.555	171N1304N109	N/A	7/1/16-6/30/17	47,369		47,369			47,369					
National School Lunch Program (Cash Assistance)	10.555		N/A	7/1/15-6/30/16	198,840	(15,444)	15,444								
National School Lunch Program (Cash Assistance)	10.555	171N1304N109	N/A	7/1/16-6/30/17	212,783		203,010			212,783		(9,773)			(9,773)
School Breakfast Program	10.553		N/A	7/1/15-6/30/16	13,424	(1,106)	1,106								
School Breakfast Program	10.553	171N1304N109	N/A	7/1/16-6/30/17	14,425		13,698			14,425		(727)			(727)
<b>Total National School Lunch Program Cluster</b>															
					(16,550)	280,627				274,577		(10,500)	220,349		(10,500)
<b>U.S. Department of Health and Human Services</b>															
<b>Passed-through State Department of Education</b>															
<b>General Fund</b>															
Medical Assistance Program (SEMD)	93.778		N/A	7/1/15-6/30/16	68,306	(23,326)	23,326								
Medical Assistance Program (SEMD)	93.778	1605N15MAP	N/A	7/1/16-6/30/17	51,086		51,086			51,086					
Medical Assistance - FY14 Cost Settlement	93.778	1605N15MAP	N/A	7/1/16-6/30/15	3,267		3,267			3,267					
Medical Assistance - FY14 Cost Settlement	93.778	1605N15MAP	N/A	7/1/15-6/30/14	11,952	(11,952)	11,952								
<b>Total Medical Assistance Program (SEMD) Cluster</b>															
					(35,278)	89,631				54,353					
<b>U.S. Environmental Protection Agency</b>															
<b>General Fund:</b>															
National Clean Diesel Rebate Program	66.039		N/A	1/1/15-12/31/15	80,000	(80,000)	80,000								
<b>Total General Fund</b>															
					(115,278)	169,631				54,353					
<b>Total Federal Financial Awards</b>															
					\$ (565,023)	\$ 1,876,191	\$	\$	\$	\$ 1,555,514	\$ 198	\$ (464,497)	\$ 220,349	\$	\$ (254,707)

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, 2017

Federal/Grantor/Pass-Through/Grantor/ State/Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 1, 2016	Cash Received	Budgetary Expenditures	Reimbursed to Grantor	Adjustment Prior Year Other	Balance, June 30, 2017		MEMO	
									(Accounts Receivable)	Unearned Revenue	GAAP Accounts Receivable	Cumulative Total Expenditures
State Department of Education General Fund												
Transportation Aid	16-095-034-5120-014	7/11/15-6/30/16	\$ 733,177	\$ (69,446)	\$ 69,446					\$ (72,463)	\$	\$ 769,076
Transportation Aid	17-095-034-5120-014	7/11/15-6/30/16	21,622	(21,622)						(30,143)		30,143
Nonpublic Transportation Aid	02103190	7/11/16-6/30/17	30,143	(30,143)						(92,143)		92,143
Total Transportation Aid Cluster												
Special Education Outgroup Aid	16-095-034-5120-014	7/11/15-6/30/16	2,404,489	(237,753)	227,753					(234,460)		2,394,498
Special Education Outgroup Aid	17-095-034-5120-014	7/11/16-6/30/17	2,394,498	(2,160,138)	2,384,498					(32,173)		341,937
Security Aid	16-095-034-5120-089	7/11/15-6/30/16	342,338	(32,428)	32,428					(1,478)		35,100
Security Aid	17-095-034-5120-089	7/11/16-6/30/17	341,937	(309,764)	309,764					(3,302)		35,095
Adjustment Aid	16-095-034-5120-085	7/11/15-6/30/16	15,712	(1,488)	1,488					(3,302)		35,095
Adjustment Aid	17-095-034-5120-085	7/11/16-6/30/17	15,712	(1,488)	1,488					(3,302)		35,095
PARCC Readers Aid	16-095-034-5120-098	7/11/15-6/30/16	35,095	(3,324)	3,324					(3,302)		35,095
PARCC Readers Aid	17-095-034-5120-098	7/11/16-6/30/17	35,095	(3,324)	3,324					(3,302)		35,095
Per Pupil Growth Aid	16-095-034-5120-097	7/11/15-6/30/16	35,095	(3,324)	3,324					(3,302)		35,095
Per Pupil Growth Aid	17-095-034-5120-097	7/11/16-6/30/17	35,095	(3,324)	3,324					(3,302)		35,095
Sales Aid - Public - Cluster												
Extraordinary Aid	16-100-034-5120-473	7/11/15-6/30/16	225,798	(225,798)	225,798					(284,746)		284,746
Extraordinary Aid	17-100-034-5120-473	7/11/16-6/30/17	284,746									
On Behalf TPAS Pension System Contributions	17-095-034-5094-006	7/11/16-6/30/17	3,214,776		3,214,776							3,214,776
On Behalf TPAS Pension System Contributions	17-100-034-5094-007	7/11/16-6/30/17	116,479		116,479							116,479
On Behalf TPAS Pension System Contributions	17-095-034-5094-007	7/11/16-6/30/17	10,957		10,957							10,957
Post Retirement Medical	17-100-034-5094-001	7/11/16-6/30/17	2,775,694		2,775,694							2,775,694
Reimbursed TPAS Social Security Contributions	16-095-034-5094-003	7/11/15-6/30/16	2,160,369	(105,993)	105,993					(104,164)		2,097,128
Reimbursed TPAS Social Security Contributions	17-095-034-5094-003	7/11/16-6/30/17	2,097,128		1,992,744							2,097,128
Total General Fund												
			(690,776)		12,077,658	32,146,456				(729,358)		12,146,436
Special Revenue Fund												
New Jersey Nonpublic Aid	16-100-034-5120-070	7/11/15-6/30/16	15,750	2,517	11,160	9,562	3,517					9,562
Nursing Services	17-100-034-5120-070	7/11/16-6/30/17	11,160	75								1,508
Technology	16-100-034-5120-373	7/11/15-6/30/16	4,708	75	3,890	3,508	75					3,508
Technology	17-100-034-5120-373	7/11/16-6/30/17	10,336	691								28
Textbooks	16-100-034-5120-064	7/11/15-6/30/16	12,384	110								110
Textbooks	17-100-034-5120-064	7/11/16-6/30/17	7,840		8,820	7,141	960					7,141
Textbooks	16-100-034-5120-509	7/11/15-6/30/16	4,525	4,087	6,800	5,475	4,087					5,475
Textbooks	17-100-034-5120-509	7/11/16-6/30/17	6,800									
Auxiliary Services (Chap. 192)	16-100-034-5120-067	7/11/15-6/30/16	6,768	2,538	7,166	6,270	2,538					6,270
Complementary Education	17-100-034-5120-067	7/11/16-6/30/17	7,166		6,300	6,300						6,300
Transportation	17-100-034-5120-068	7/11/16-6/30/17	6,300	2,538	13,466	12,570	2,538					12,570
Auxiliary Services - Cluster												
Handicapped Services (Chap. 193)	16-100-034-5120-066	7/11/15-6/30/16	4,602	1,192	9,505	9,365	1,192					9,365
Examination and Classification	17-100-034-5120-066	7/11/16-6/30/17	9,365	836								
Examination and Classification	16-100-034-5120-066	7/11/15-6/30/16	15,049	836	8,394	8,394	836					8,394
Curative Speech	17-100-034-5120-066	7/11/16-6/30/17	8,394		5,493	5,493						5,493
Supplementary Instruction	17-100-034-5120-066	7/11/16-6/30/17	5,493	2,028	23,252	23,252	2,028					23,252
Supplementary Instruction - Cluster												
Handicapped Services - Cluster												
Total Special Revenue Fund												
			12,046		67,388	61,508	13,270				4,658	61,508
Capital Projects Fund												
Front Entrance Modification- Primary	5428-078-14-1030-C04	7/11/13-6/30/15	6,000	(5,666)						(5,666)		5,666
Front Entrance Modification- West Belmar	5428-080-14-1038-C04	7/11/13-6/30/15	15,000	(13,114)	698					(14,834)		14,012
Front Entrance Modification- Old Mill	5428-077-14-1029-C04	7/11/13-6/30/15	30,000	(19,768)	892					(26,668)		20,700
Front Entrance Modification- Central	5428-070-14-1020-C04	7/11/13-6/30/15	30,000	(24,253)	1,829					(27,135)		19,064
Front Entrance Modification- Allentown	5428-075-14-1021-C04	7/11/13-6/30/15	41,500	(36,253)	1,163					(36,094)		30,682
Front Entrance Modification- Wall Intermediate	5428-075-14-1021-C04	7/11/13-6/30/15	30,000	(26,113)	30,000					(33,345)		25,320
Front Entrance Modification- High School	5428-080-14-1039-C04	7/11/13-6/30/15	93,000	(86,443)	1,422					(29,935)		27,640
Front Entrance Modification- High School	5428-080-14-1039-C04	7/11/13-6/30/15	81,920	(78,400)						(57,843)		56,642
Emergency Generators - West Belmar	5428-077-14-1033-C04	7/11/13-6/30/15	81,920	(78,400)						(26,400)		25,400
Emergency Generators - Old Mill	5428-076-14-1035-C04	7/11/13-6/30/15	81,920	(78,400)						(35,153)		32,953
Emergency Generators - Old Mill	5428-076-14-1035-C04	7/11/13-6/30/15	81,920	(78,400)						(35,153)		34,153
Emergency Generators - Allentown	5428-076-14-1035-C04	7/11/13-6/30/15	81,920	(78,400)						(27,600)		27,600
Emergency Generators - Allentown	5428-076-14-1035-C04	7/11/13-6/30/15	81,920	(78,400)						(39,153)		34,154

The Notes to this Schedule of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

WALL TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal/Grantee/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2016	Cash Received	Budgetary Expenditures	Returned to Grantor	Adjustment Prior Year Orders	(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Accounts Receivable	Cumulative Total Expenditure
Security Upgrades-Primary	5400-076-14-1031-C04	7/1/14-6/30/15	\$ 34,000	\$ (12,345)					\$ (13,600)	\$ 1,235		\$ (13,600)	\$ 12,345
Security Upgrades-Allanwood	5400-064-14-1015-C04	7/1/14-6/30/15	78,000	(30,593)					(3,200)	680		(31,200)	30,593
Security Upgrades-Central	5400-070-14-1016-C04	7/1/14-6/30/15	88,000	(34,323)					(35,200)	877		(35,200)	34,323
Security Upgrades-Old Mill	5400-077-14-1026-C04	7/1/14-6/30/15	71,000	(27,490)					(28,400)	910		(28,400)	27,490
Security Upgrades-West Belmar	5400-080-14-1035-C04	7/1/14-6/30/15	87,000	(34,011)					(34,000)	789		(34,000)	34,011
Security Upgrades-Wall Intermediate	5400-075-14-1025-C04	7/1/14-6/30/15	126,000	(49,919)					(50,499)	481		(50,400)	49,919
Security Upgrades-High School	5400-050-14-1007-C04	7/1/14-6/30/15	180,000	(65,872)					(64,000)	128		(64,000)	65,872
Roof Replacement-Primary	5400-078-14-1032-C04	7/1/14-6/30/15	200,000	(66,634)					(60,000)	13,366		(60,000)	66,634
Roof Replacement-Allanwood	5400-060-14-1013-C04	7/1/14-6/30/15	75,000	(25,622)					(30,000)	4,378		(30,000)	25,622
Roof Replacement-Central	5400-075-14-1018-C04	7/1/14-6/30/15	390,000	(82,317)					(156,000)	73,683		(156,000)	82,317
Roof Replacement-West Belmar	5400-083-14-1039-C04	7/1/14-6/30/15	69,000	(24,710)					(27,600)	2,890		(27,600)	24,710
Phone System-Primary	5400-078-14-1033-C04	7/1/15-6/30/16	2,200		\$ 1,373				(2,520)	1,147		(2,520)	1,373
Phone System-Allanwood	5400-060-14-1017-C04	7/1/15-6/30/16	17,000		9,592				(16,600)	8,008		(16,600)	9,592
Phone System-Central	5400-070-14-1017-C04	7/1/15-6/30/16	19,000		10,682				(19,600)	10,682		(19,600)	10,682
Phone System-Old Mill	5400-077-14-1040-C04	7/1/15-6/30/16	19,800		10,790				(19,800)	9,010		(19,800)	10,790
Phone System-West Belmar	5400-083-14-1034-C04	7/1/15-6/30/16	14,000		7,630				(14,000)	6,370		(14,000)	7,630
Phone System-Wall Intermediate	5400-075-14-1024-C04	7/1/15-6/30/16	44,000		23,979				(44,000)	20,021		(44,000)	23,979
Phone System-High School	5400-035-14-1010-C04	7/1/15-6/30/16	65,800		35,869				(65,800)	29,940		(65,800)	35,869
Public Address System-Allanwood	5400-050-14-1019-C04	7/1/15-6/30/16	75,200		69,131				(75,200)	6,069		(75,200)	69,131
Public Address System-Central	5400-070-14-1019-C04	7/1/15-6/30/16	84,000		77,220				(84,000)	6,780		(84,000)	77,220
Public Address System-Old Mill	5400-075-14-1028-C04	7/1/15-6/30/16	80,000		53,138				(80,000)	6,780		(80,000)	53,138
Public Address System-West Belmar	5400-075-14-1025-C04	7/1/15-6/30/16	189,200		139,330				(189,200)	14,542		(189,200)	139,330
Public Address System-Wall Intermediate	5400-051-14-1024-C04	7/1/15-6/30/16	280,800		250,137				(280,800)	22,653		(280,800)	250,137
Total Capital Projects Fund				(798,825)		817,496			(1,902,892)	286,577		(1,902,892)	1,616,521
Debt Service Fund			740,000		740,000	740,000							740,000
Debt Service-Aid State Support	17-495-0034-5120-075	7/1/16-6/30/17			740,000	740,000							740,000
Total Debt Service Fund			740,000		740,000	740,000							740,000
State Department of Agriculture Enterprise Fund			7,612	(634)	634							(634)	634
State School Lunch Program	16-100-010-5330-023	7/1/15-6/30/16	8,140		7,248				(92)			(92)	8,140
State School Lunch Program	17-100-010-5330-023	7/1/16-6/30/17		(624)	8,382				(92)			(92)	8,140
Total Enterprise Fund			\$ (1,478,189)	\$ 12,894,094	\$ 13,774,186	\$ 13,270	\$ 13,270	\$ 4,656	\$ (2,662,844)	\$ 286,577	\$ 4,656	\$ (2,037,817)	\$ 14,573,011
Total State Financial Assistance													
State Financial Assistance Not Subject to Single Audit Determination													
General Fund:													
On-Behalf TPAF Pension System Contribution				\$ (3,342,212)	\$ (3,342,212)								\$ (3,342,212)
On-Behalf TPAF Post-Retirement Med. Contrib.				(2,775,694)	(2,775,694)								(2,775,694)
Total State Financial Assistance			\$ (1,478,189)	\$ 6,776,128	\$ 7,656,280	\$ 13,270	\$ 13,270	\$ 4,656	\$ (2,662,844)	\$ 286,577	\$ 4,656	\$ (2,037,817)	\$ 8,455,105

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

**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, 2017**

**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 \$61,466 for the general fund and a decrease of \$19,742 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	\$ 54,353	\$ 12,084,970	\$ 12,139,323
Special Revenue Fund	1,215,949	61,508	1,277,457
Capital Projects Fund		817,496	817,496
Debt Service Fund		740,606	740,606
Food Service Fund	274,577	8,140	282,717
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 1,544,879	\$ 13,712,720	\$ 15,257,599

**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, 2017**

**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 \$2,097,128 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$3,331,255, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,775,694 and TPAF Long-Term Disability Insurance in the amount of \$10,957 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

**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 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, 2017

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   X   no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?   X   yes        none reported

Noncompliance material to the basic financial statements noted?   X   yes        no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified?        yes   X   no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?        yes   X   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   X   none

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
<u>84.027</u>	<u>H027A150100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A150114</u>	<u>IDEA Preschool</u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>
<u>      </u>	<u>      </u>	<u>      </u>

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

Auditee qualified as low-risk auditee?        yes   X   no

**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*Part I – Summary of Auditor’s Results*

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified?        yes   X   no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?        yes   X   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 N.J. OMB Circular 15-08, as amended?   X   yes        none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5150-085</u>	<u>Adjustment Aid</u>
<u>495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>495-034-5120-014</u>	<u>Transportation Aid</u>
<u>Various</u>	<u>School Development Authority Grants</u>

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, 2017**

*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.

**Finding 2017-001:**

Our audit of the general ledger account balances revealed certain adjusting journal entries were required to reconcile the Board records to agree with subsidiary records and supporting documentation. We noted the following:

- Prior year accounts receivable related to the Special Revenue Fund in the amount of \$7,158 was posted to the General Fund in error.
- The State aid debit/credit memo in the amount of \$11,936 to adjust for the prior year balances in the Special Revenue fund due to the State was not posted.
- Prior year Federal receivable in the amount of \$80,000 and the payment of \$348,036 from the lease escrow proceeds in conjunction with the lease of buses were not properly accounted for in the general ledger.
- Prior year Federal receivable in the amount of \$35,278 was posted to the incorrect general ledger account.
- State aid debit/credit memos in the amount of \$133,304 were not properly posted to the general ledger.
- Prior year prepaid insurance proceeds in the amount of \$125,525 were not properly applied to the current year budget.

**Criteria or specific requirement:**

The State Department of Education's GAAP Technical Systems Manual

**Condition:**

Certain adjusting journal entries were required to reclassify receipts, accrue revenues and correct general ledger entries in the General and Special Revenue Funds.

**Questioned Costs:**

None.

**Context:**

Certain journal entries were required to reclassify mispostings and record certain transactions in the General and Special Revenue Funds.

**Effect:**

The Board Secretary's records were not in agreement with subsidiary records and supporting documentation.

**Recommendation:**

General ledger balances be reconciled to the subsidiary records and supporting documentation on a monthly basis.

**Views of Responsible Officials and Planned Corrective Action Plan:**

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

**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*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, 2017**

*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 2017-002:**

Our audit noted that the District has not submitted reimbursement from the NJ School Development Authority for uncollected grant funds for certain capital projects which appear to be substantially complete.

**State Program Information:**

Various School Development Authority (SDA) Grants

**Criteria or Specific Requirement:**

State Grant Compliance Supplement  
N.J.A.C. 19:32

**Condition:**

See Finding 2017-002.

**Questioned Costs:**

None.

**Context:**

Grants receivable in the amount of \$1,902,878 relating to SDA projects exist at June 30, 2017. There were no reimbursement requests made during the fiscal year 2016-2017.

**Effect:**

The District is not receiving periodic reimbursements on SDA grants in which the projects are substantially complete. The District may not collect the full amount of the receivable. The District has borrowed monies from other governmental funds to pay for the disbursements.

**Recommendation:**

The District review the outstanding SDA projects in the Capital Projects Fund and take appropriate action to close out all completed project grant account balances and collect eligible grant funds.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review its 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, 2017**

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 2016-001:**

**Finding** – Our review of the ASSA, workpapers, and class registers revealed several offsetting discrepancies were noted in grade level/special education categories between the number of students reported as low income on the ASSA and the District workpapers. Total net difference was one (1) student.

**Current Status**

Corrective action has been taken.

**Finding 2016-002:**

Our audit of the District Report of Transported Resident Students (DRTRS) revealed the following:

- a. In certain instances, special transportation needs were not specified in students' Individualized Education Plan (IEP).
- b. A certain student was reported as special education, however, the student did not have a valid Individualized Education Plan (IEP) on file.
- c. The IEP of a certain special education student expired on 6/30/2015, therefore, the special transportation need as of October 15, 2015 could not be verified.

**Current Status**

Corrective action has been taken.