

**WALL TOWNSHIP BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016**

**Prepared by**

**Business Office**

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**INTRODUCTORY SECTION**

# WALL TOWNSHIP PUBLIC SCHOOLS

OFFICE OF THE BUSINESS ADMINISTRATOR

P.O. BOX 1199 • 18TH AVENUE

WALL, NJ 07719-1199

BRIAN J. SMYTH, P.E.

BUSINESS ADMINISTRATOR/BOARD SECRETARY

TEL: 732.556.2016

FAX: 732.556.2102

EMAIL: [bsmyth@wall.k12.nj.us](mailto:bsmyth@wall.k12.nj.us)

November 4, 2016

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, 2016 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, 2016 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 2015/2016 school year, as of October 15, 2015, was 3,606 students which is 42.5 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. Re-evaluation of developments has continued to reduce the tax base from which the District is funded.

**3. MAJOR INITIATIVES:**

The 2015-2016 budget supported the purchase of student transportation vehicles; additional electives in grades 6-8; additional advanced placement courses and elective offerings at the high school.

The budget aligned itself with the goals and objectives as outlined in the district's Professional Development Plan. It included funding for professional development opportunities and mandated training.

In the area of technology, the District continued its expansion of wireless networks at the high school and middle school. Purchase of Ipads and Chromebooks were also made in the District's continued effort to accommodate state-wide computer-based testing requirements.

The budget included capital project funds for and completed the following Capital Project: Phone and P.A. which were Rod Grants with 40% of project costs funded by the School Development Authority

**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 approved by the voters of the municipality. 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, 2016.

#### **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, 2016 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

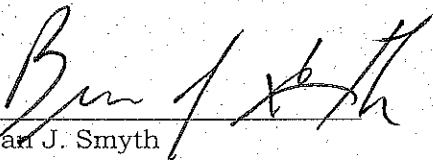
Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. The auditor's report on the basic financial statements required supplementary information and other supplementary information 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.

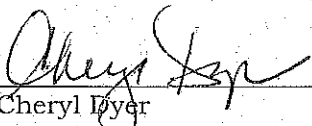
**11. SIGNIFICANT BUDGET VARIATIONS OR MODIFICATIONS DISCUSSION FOR NEXT YEAR:**

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 impact the District's ability to enhance programs and facilities within the annual budget.

**12. ACKNOWLEDGEMENTS:**

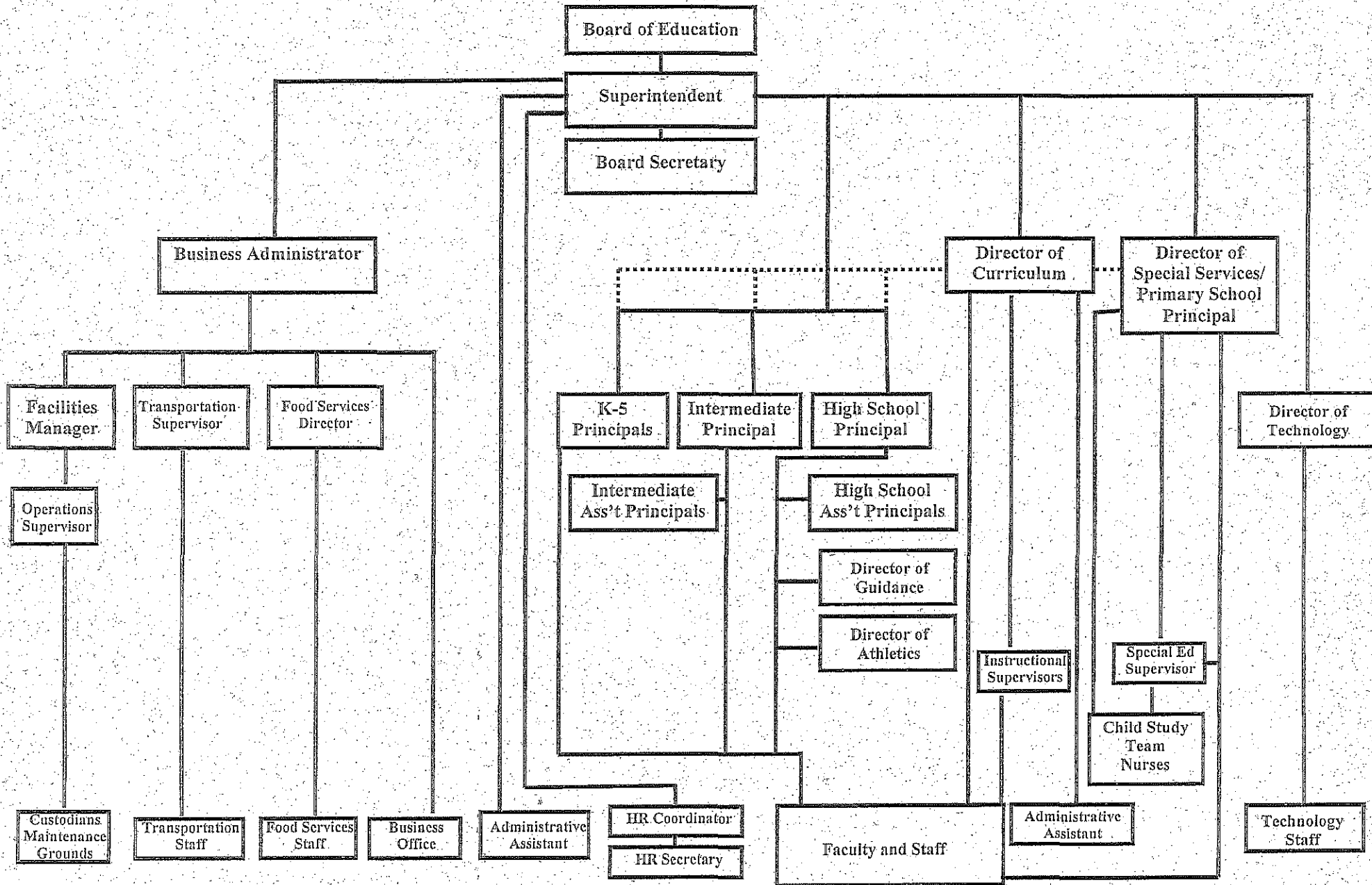
We would like to express our appreciation to the members of the Wall Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.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

  
\_\_\_\_\_  
Brian J. Smyth  
Business Administrator

  
\_\_\_\_\_  
Cheryl Loyer  
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, 2016**

**Members of the Board of Education**

**Term Expires**

Eric Brophy - President	January 2017
Allison Connolly – Vice President	January 2018
Ralph Addonizio	January 2017
Ernest Bongiovanni	January 2019
James Johnson	January 2018
Robin Lynch	January 2018
Michael McArthur	January 2019
Colin Nash	January 2017
Robin Zawodniak	January 2016

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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

**FINANCIAL SECTION**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA  
ROBERT AMPONSAH, CPA

## 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, 2016 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 of 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, 2016, 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 (CFR) 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 3, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wall Township Board of Education's internal control over financial reporting and compliance.

*Lerch, Vinci & Higgins, LLP*

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

*Donna L. Japhet*

Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
November 3, 2016

**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, 2016**

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, 2016. 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 (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2015-2016 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 \$2,517,576 (deficit net position).
- Overall revenues were \$87,767,758 General revenues accounted for \$64,277,651 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$23,490,107 or 27% of total revenues.
- The school district had \$84,572,406 in expenses for governmental activities; only \$21,640,820 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$64,277,651 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 \$7,530,643.
- The General Fund fund balance at June 30, 2016 was \$5,912,218 a decrease of \$2,020 when compared with the beginning balance at July 1, 2015.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

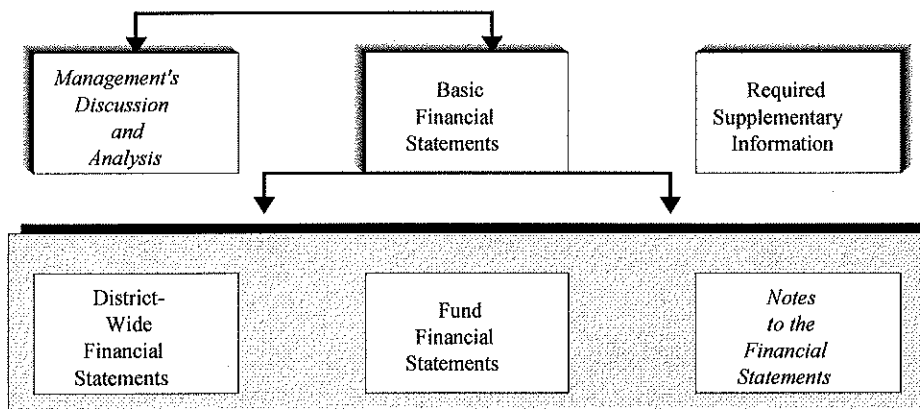
**OVERVIEW OF THE FINANCIAL STATEMENTS**

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, 2016**

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, 2016**

**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, 2016**

**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 \$2,517,576 (deficit net position) as of June 30, 2016. 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, 2016**

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, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>						
Current Assets	\$ 12,429,590	\$ 9,375,412	\$ 151,406	\$ 71,488	\$ 12,580,996	\$ 9,446,900
Capital Assets, Net	<u>36,588,940</u>	<u>37,891,422</u>	<u>96,696</u>	<u>110,091</u>	<u>36,685,636</u>	<u>38,001,513</u>
<b>Total Assets</b>	<u>49,018,530</u>	<u>47,266,834</u>	<u>248,102</u>	<u>181,579</u>	<u>49,266,632</u>	<u>47,448,413</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount on Refunding of Debt	335,182	789,208	-	-	335,182	789,208
Deferred Amounts on Net Pension Liability	<u>4,261,894</u>	<u>1,661,923</u>	<u>-</u>	<u>-</u>	<u>4,261,894</u>	<u>1,661,923</u>
<b>Total Deferred Outflows of Resources</b>	<u>4,597,076</u>	<u>2,451,131</u>	<u>-</u>	<u>-</u>	<u>4,597,076</u>	<u>2,451,131</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>53,615,606</u>	<u>49,717,965</u>	<u>248,102</u>	<u>181,579</u>	<u>53,863,708</u>	<u>49,899,544</u>
<b>Liabilities</b>						
Long-Term Liabilities	50,576,368	49,050,929			50,576,368	49,050,929
Other Liabilities	<u>5,287,162</u>	<u>3,406,285</u>	<u>54,574</u>	<u>49,094</u>	<u>5,341,736</u>	<u>3,455,379</u>
<b>Total Liabilities</b>	<u>55,863,530</u>	<u>52,457,214</u>	<u>54,574</u>	<u>49,094</u>	<u>55,918,104</u>	<u>52,506,308</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts of Net Pension Liability	<u>463,180</u>	<u>1,317,920</u>	<u>-</u>	<u>-</u>	<u>463,180</u>	<u>1,317,920</u>
<b>Total Deferred Inflows of Resources</b>	<u>463,180</u>	<u>1,317,920</u>	<u>-</u>	<u>-</u>	<u>463,180</u>	<u>1,317,920</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>56,326,710</u>	<u>53,775,134</u>	<u>54,574</u>	<u>49,094</u>	<u>56,381,284</u>	<u>53,824,228</u>
<b>Net Position</b>						
Net Investment in Capital Assets	17,202,958	16,176,888	96,696	110,091	17,299,654	16,286,979
Restricted	5,712,617	4,409,297			5,712,617	4,409,297
Unrestricted	<u>(25,626,679)</u>	<u>(24,643,354)</u>	<u>96,832</u>	<u>22,394</u>	<u>(25,529,847)</u>	<u>(24,620,960)</u>
<b>Total Net Position</b>	<u>\$ (2,711,104)</u>	<u>\$ (4,057,169)</u>	<u>\$ 193,528</u>	<u>\$ 132,485</u>	<u>\$ (2,517,576)</u>	<u>\$ (3,924,684)</u>

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Change in Net Position  
For The Fiscal Years Ended June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 455,645	\$ 436,855	\$ 1,577,800	\$ 1,232,084	\$ 2,033,445	\$ 1,668,939
Operating Grants and Contributions	21,150,066	17,563,405	271,487	231,162	21,421,553	17,794,567
Capital Grants and Contributions	35,109	766,032			35,109	766,032
General Revenues						
Property Taxes	63,416,527	62,157,010			63,416,527	62,157,010
State Aid	497,916	496,096			497,916	496,096
Other	363,208	75,880	-	-	363,208	75,880
<b>Total Revenues</b>	<b>85,918,471</b>	<b>81,495,278</b>	<b>1,849,287</b>	<b>1,463,246</b>	<b>87,767,758</b>	<b>82,958,524</b>
<b>Expenses</b>						
Instruction						
Regular	33,698,651	31,427,530			33,698,651	31,427,530
Special Education	15,035,647	13,806,763			15,035,647	13,806,763
Vocational Education	590,722	600,106			590,722	600,106
Other Instruction	1,609,390	1,393,728			1,609,390	1,393,728
School Sponsored Cocurricular/Athletics	1,788,657	1,601,878			1,788,657	1,601,878
Support Services						
Student and Instruction Related Services	9,982,279	9,205,306			9,982,279	9,205,306
School Administrative Services	4,729,551	4,530,340			4,729,551	4,530,340
General Administrative Services	2,199,742	2,368,038			2,199,742	2,368,038
Plant Operations and Maintenance	7,452,065	7,079,295			7,452,065	7,079,295
Pupil Transportation	5,036,208	4,904,733			5,036,208	4,904,733
Business/Central and Other Support Services	1,582,559	1,642,036			1,582,559	1,642,036
Interest on Long-Term Debt	866,935	913,993			866,935	913,993
Food Service		-	1,484,453	1,469,775	1,484,453	1,469,775
After School Prep Programs	-	-	303,791	14,002	303,791	14,002
<b>Total Expenses</b>	<b>84,572,406</b>	<b>79,473,746</b>	<b>1,788,244</b>	<b>1,483,777</b>	<b>86,360,650</b>	<b>80,957,523</b>
<b>Change in Net Position</b>	<b>1,346,065</b>	<b>2,021,532</b>	<b>61,043</b>	<b>(20,531)</b>	<b>1,407,108</b>	<b>2,001,001</b>
<b>Net Position, Beginning of Year</b>	<b>(4,057,169)</b>	<b>(6,078,701)</b>	<b>132,485</b>	<b>153,016</b>	<b>(3,924,684)</b>	<b>(5,925,685)</b>
<b>Net Position, End 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>

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

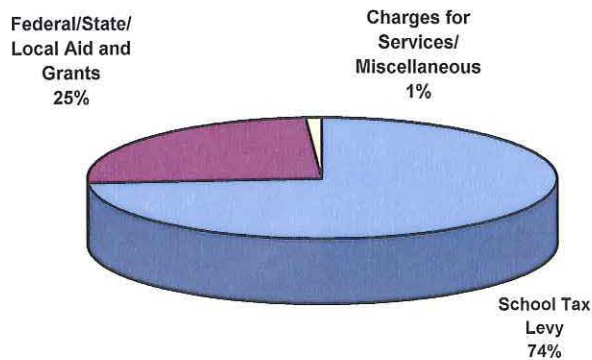
**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$85,918,471 for the year ended June 30, 2016, an increase of \$4,423,193 or 5 percent increase from 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 \$8,557,566 compared to the prior year adjustment of \$6,074,433. Property taxes of \$63,416,527 represented 74% of revenues. Another portion of revenues came from State, Federal and Local aid; total State, Federal and local aid was \$21,683,091. Charges for services such as tuition and rentals were \$455,645. The balance of revenues is miscellaneous income which includes items such as e-rate reimbursements, prior year refunds, etc.

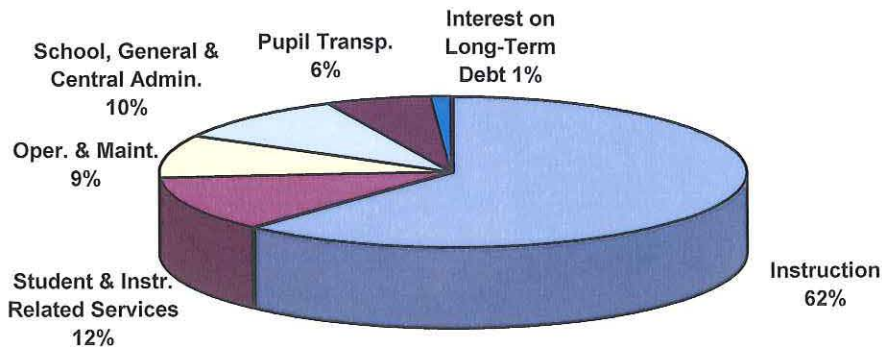
The total cost of all governmental activities programs and services was \$84,572,406. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$52,723,067 (62%) of total expenses. Student and instruction related and other support services (exclusive of interest on long-term debt) total \$30,982,404 or (37%) 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 \$1,346,065 from the previous year.

Revenues by Source- Governmental Activities  
For Fiscal Year 2016



Expenses by Type-Governmental Activities  
For Fiscal Year 2016



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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$84,572,406. After applying program revenues, derived from charges for services of \$455,645 and operating and capital grants and contributions of \$21,185,175, the net cost of services of the District is \$62,931,586.

**Total and Net Cost of Services of Governmental Activities  
For The Fiscal Years Ended June 30, 2016 and 2015**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Instruction</b>				
Regular	\$ 33,698,651	\$ 31,427,530	\$ 23,297,502	\$ 23,280,748
Special Education	15,035,647	13,806,763	7,655,999	7,204,986
Vocational Education	590,722	600,106	590,722	600,106
Other Instruction	1,609,390	1,393,728	1,122,462	1,034,265
School Sponsored Cocurricular/Athletics	1,788,657	1,601,878	1,328,021	1,257,085
<b>Support Services</b>				
Student and Instruction Related Services	9,982,279	9,205,306	9,461,542	8,800,466
School Administrative Services	4,729,551	4,530,340	3,920,904	3,844,288
General Administrative Services	2,199,742	2,368,038	1,857,019	2,368,038
Plant Operations and Maintenance	7,452,065	7,079,295	6,533,172	5,944,415
Pupil Transportation	5,036,208	4,904,733	5,036,208	4,137,255
Business and Other Support Services	1,582,559	1,642,036	1,582,559	1,642,036
Interest on Long-Term Debt	866,935	913,993	545,476	593,766
<b>Total</b>	<b><u>\$ 84,572,406</u></b>	<b><u>\$ 79,473,746</u></b>	<b><u>\$ 62,931,586</u></b>	<b><u>\$ 60,707,454</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$1,849,287 for the year ended June 30, 2016. Charges for services of \$1,577,800 accounted for 85% of total revenues. Operating grants and contributions of \$271,487 accounted for 15% of total revenue for the year.

The total cost of all business-type activities programs and services was \$1,788,244. 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 \$61,043 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, 2016**

**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 \$7,530,643. At June 30, 2015, the fund balance was \$6,144,859.

Revenues and other financing sources for the District's governmental funds were \$77,697,905, while total expenses and other financing uses were \$76,312,121, thereby increasing fund balance by \$1,385,784.

**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, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>	Amount of Increase (Decrease)	Percent Change
Local Sources				
Property Tax Levy	\$ 60,945,106	\$ 59,750,104	\$ 1,195,002	2%
Tuition	411,075	411,303	(228)	0%
Miscellaneous	407,778	101,432	306,346	302%
State/Federal Sources	<u>11,046,563</u>	<u>9,900,666</u>	<u>1,145,897</u>	12%
Total General Fund Revenues	<u>\$ 72,810,522</u>	<u>\$ 70,163,505</u>	<u>\$ 2,647,017</u>	4%

Total General Fund Revenues increased by \$2,647,017 or 4% from the previous year.

Local property taxes increased by 2 percent over the previous year. State and federal aid revenues increased \$1,145,897 or 12%. 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, 2016**

Miscellaneous income revenues increased by \$306,346 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, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>	Amount of Increase (Decrease)	Percent Change
Instruction	\$ 43,627,526	\$ 42,103,403	\$ 1,524,123	4%
Support Services	27,708,886	27,152,767	556,119	2%
Capital Outlay	228,201	1,076,265	(848,064)	-79%
Debt Service	<u>150,149</u>	<u>135,411</u>	<u>14,738</u>	11%
Total Expenditures	<u>\$ 71,714,762</u>	<u>\$ 70,467,846</u>	<u>\$ 1,246,916</u>	2%

Total General Fund expenditures increased \$1,246,916 or 2% from the previous year. The District experienced increases in areas of instruction and support services expenditures and debt service.

In 2015-2016 General Fund expenditures and other financing uses exceeded revenues and other financing sources by \$2,020. As a result, total fund balance decreased to \$5,912,218 at June 30, 2016. After deducting restrictions and assignments, the unassigned fund balance increased from \$756,726 at June 30, 2015 to \$838,479 at June 30, 2016.

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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**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 \$1,242,522, for the year ended June 30, 2016. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 93% of the total revenue for the year.

Total Special Revenue Fund revenues decreased by \$41,313 from the previous year. State sources decreased \$3,412, Federal sources decreased \$41,944 and local sources increased by \$4,043.

Expenditures of the Special Revenue Fund were also \$1,242,522. Instructional expenditures were \$1,141,512 or 92%. Expenditures for the student and instructional related support services were \$92,744 or 7% of total expended for the year ended June 30, 2016. The remaining 1% of expenditures were for pupil transportation amounting to \$5,950 and capital outlay amounting to \$2,316.

**Capital Projects** – The Capital Projects revenues and other financing sources exceeded expenditures by \$1,385,591 increasing fund balance to \$1,616,212 at June 30, 2016. The District is undertaking various improvements throughout the entire district, which began in 2015/16 and will continue into the 2016/17 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, reinstating prior year purchase orders being carried over, and budgeting for previously unanticipated state aid revenues.

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, 2016**

**CAPITAL ASSETS**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounts to \$36,685,636 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal year 2015-16 amounted to \$1,613,101 for governmental activities and \$13,395 for business-type activities.

Capital Assets at June 30, 2016 and 2015  
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 534,652	\$ 534,652			\$ 534,652	\$ 534,652
Building and Building Improvements	34,054,409	35,029,172			34,054,409	35,029,172
Improvements other than Buildings	543,929	621,506			543,929	621,506
Machinery and Equipment	<u>1,455,950</u>	<u>1,706,092</u>	<u>\$ 96,696</u>	<u>\$ 110,091</u>	<u>1,552,646</u>	<u>1,816,183</u>
<b>Total Capital Assets, Net</b>	<u>\$ 36,588,940</u>	<u>\$ 37,891,422</u>	<u>\$ 96,696</u>	<u>\$ 110,091</u>	<u>\$ 36,685,636</u>	<u>\$ 38,001,513</u>

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 \$1,431,581, capital leases payable of \$624,765, bonds payable of \$19,985,000 and net pension liability of \$26,461,623.

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, 2016**

**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 2015/2016 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 15% of the School Board's general fund revenue is from State and Federal Aid, 84% of total revenue is from local tax levy, and 1% 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 2016/2017 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, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 7,941,153	\$ 119,002	\$ 8,060,155
Receivables, net	2,790,138	27,645	2,817,783
Inventory		4,759	4,759
Restricted			
Cash with Fiscal Agents	1,698,299		1,698,299
Capital Assets			
Not Being Depreciated	534,652		534,652
Being Depreciated, Net	<u>36,054,288</u>	<u>96,696</u>	<u>36,150,984</u>
Total Assets	<u>49,018,530</u>	<u>248,102</u>	<u>49,266,632</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	335,182	-	335,182
Deferred Amounts on Net Pension Liability	<u>4,261,894</u>	<u>-</u>	<u>4,261,894</u>
Total Deferred Outflows of Resources	<u>4,597,076</u>	<u>-</u>	<u>4,597,076</u>
Total Assets and Deferred Outflows of Resources	<u>53,615,606</u>	<u>248,102</u>	<u>53,863,708</u>
<b>LIABILITIES</b>			
Accounts Payable	2,350,181	4,867	2,355,048
Accrued Interest Payable	388,215		388,215
Payable to Government	12,046		12,046
Unearned Revenue	1,106,457	49,707	1,156,164
Accrued Liability for Insurance Claims	1,430,263		1,430,263
Noncurrent Liabilities			
Due Within One Year	2,494,965		2,494,965
Due Beyond One Year	<u>48,081,403</u>	<u>-</u>	<u>48,081,403</u>
Total Liabilities	<u>55,863,530</u>	<u>54,574</u>	<u>55,918,104</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>463,180</u>	<u>-</u>	<u>463,180</u>
Total Deferred Inflows of Resources	<u>463,180</u>	<u>-</u>	<u>463,180</u>
Total Liabilities and Deferred Inflows of Resources	<u>56,326,710</u>	<u>54,574</u>	<u>56,381,284</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	17,202,958	96,696	17,299,654
Restricted for			
Capital Projects	5,162,617		5,162,617
Other - Maintenance	550,000		550,000
Unrestricted	<u>(25,626,679)</u>	<u>96,832</u>	<u>(25,529,847)</u>
Total Net Position	<u>\$ (2,711,104)</u>	<u>\$ 193,528</u>	<u>\$ (2,517,576)</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 33,698,651	\$ 378,950	\$ 10,019,883	\$ 2,316	\$ (23,297,502)		\$ (23,297,502)
Special Education	15,035,647	32,125	7,347,523		(7,655,999)		(7,655,999)
Vocational Education	590,722				(590,722)		(590,722)
Other Instruction	1,609,390		486,928		(1,122,462)		(1,122,462)
School Sponsored Cocurricular/Athletic	1,788,657		460,636		(1,328,021)		(1,328,021)
Support Services							
Student and Instruction Related Services	9,982,279		520,737		(9,461,542)		(9,461,542)
School Administrative Services	4,729,551		808,647		(3,920,904)		(3,920,904)
General Administrative Services	2,199,742		342,723		(1,857,019)		(1,857,019)
Plant Operations and Maintenance	7,452,065	44,570	841,530	32,793	(6,533,172)		(6,533,172)
Pupil Transportation	5,036,208				(5,036,208)		(5,036,208)
Business/Central and Other Support Services	1,582,559				(1,582,559)		(1,582,559)
Interest on Long-Term Debt	866,935	-	321,459	-	(545,476)	-	(545,476)
Total Governmental Activities	<u>84,572,406</u>	<u>455,645</u>	<u>21,150,066</u>	<u>35,109</u>	<u>(62,931,586)</u>	<u>-</u>	<u>(62,931,586)</u>
<b>Business-Type Activities</b>							
Food Service	1,484,453	1,243,504	271,487	-	-	\$ 30,538	30,538
Before and After School Programs	303,791	334,296	-	-	-	30,505	30,505
Total Business-Type Activities	<u>1,788,244</u>	<u>1,577,800</u>	<u>271,487</u>	<u>-</u>	<u>-</u>	<u>61,043</u>	<u>61,043</u>
Total Primary Government	<u>\$ 86,360,650</u>	<u>\$ 2,033,445</u>	<u>\$ 21,421,553</u>	<u>\$ 35,109</u>	<u>(62,931,586)</u>	<u>61,043</u>	<u>(62,870,543)</u>

(Continued)

WALL TOWNSHIP BOARD OF EDUCATION  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Carried Forward	\$ (62,931,586)	\$ 61,043	\$ (62,870,543)
<b>General Revenues:</b>			
Taxes:			
Property Taxes, Levied for General Purposes	60,945,106		60,945,106
Property Taxes Levied for Debt Service	2,471,421		2,471,421
State Aid Restricted for Debt Service Principal	482,188		482,188
State & Federal Aid- Unrestricted	15,728		15,728
Miscellaneous Income	363,208	-	363,208
Total General Revenues	<u>64,277,651</u>	<u>-</u>	<u>64,277,651</u>
Change in Net Position	1,346,065	61,043	1,407,108
Net Position, Beginning of Year	<u>(4,057,169)</u>	<u>132,485</u>	<u>(3,924,684)</u>
Net Position, End of Year	<u>\$ (2,711,104)</u>	<u>\$ 193,528</u>	<u>\$ (2,517,576)</u>

**FUND FINANCIAL STATEMENTS**

**WALL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

	<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	\$ 7,121,553		\$ 817,387	\$ 2,213	\$ 7,941,153
Cash with Fiscal Agents	1,698,299				1,698,299
Receivables From Other Governments	242,493	\$ 433,195	1,902,898		2,578,586
Other Receivables	204,394	7,158			211,552
Due from Other Funds	<u>397,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,001</u>
Total Assets	<u>\$ 9,663,740</u>	<u>\$ 440,353</u>	<u>\$ 2,720,285</u>	<u>\$ 2,213</u>	<u>\$ 12,826,591</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 2,321,259	\$ 28,922			\$ 2,350,181
Due to Other Funds		397,001			397,001
Intergovernmental Payable					
State		12,046			12,046
Unearned Revenue		2,384	\$ 1,104,073		1,106,457
Accrued Liability for Insurance Claims	<u>1,430,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,430,263</u>
Total Liabilities	<u>3,751,522</u>	<u>440,353</u>	<u>1,104,073</u>	<u>-</u>	<u>5,295,948</u>
<b>Fund Balances</b>					
<b>Restricted Fund Balance</b>					
Capital Reserve	2,921,405				2,921,405
Capital Reserve - Designated for Subsequent Year's Expenditures (2016/17 Budget)	625,000				625,000
Maintenance Reserve	200,000				200,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2016/17 Budget)	350,000				350,000
Emergency Reserve- Designated for Subsequent Year's Expenditures (2016/17 Budget)	223,500				223,500
SEMI-FY14 Cost Settlement - Designated for Subsequent Year's Expenditures	17,748				17,748
ARRA-SEMI - Designated for Subsequent Year's Expenditures	11,952				11,952
Capital Projects			1,616,212		1,616,212
Debt Service				\$ 2,213	2,213
<b>Committed Fund Balance</b>					
Insurance Recoveries	125,525				125,525
Year End Encumbrances	348,036				348,036
<b>Assigned Fund Balance</b>					
Year-End Encumbrances	250,573				250,573
<b>Unassigned Fund Balance</b>					
General Fund	<u>838,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>838,479</u>
Total Fund Balances	<u>5,912,218</u>	<u>-</u>	<u>1,616,212</u>	<u>2,213</u>	<u>7,530,643</u>
Total Liabilities and Fund Balances	<u>\$ 9,663,740</u>	<u>\$ 440,353</u>	<u>\$ 2,720,285</u>	<u>\$ 2,213</u>	<u>\$ 12,826,591</u>

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

**WALL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

Total Fund Balance (Exhibit B-1) \$ 7,530,643

**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 \$62,089,424 and the accumulated depreciation is \$25,500,484. 36,588,940

The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is: (388,215)

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. 335,182

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	\$	4,261,894	
Deferred Inflows of Resources		<u>(463,180)</u>	
			3,798,714

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 2) (50,576,368)

Deficit Net Position of Governmental Activities (Exhibit A-1) \$ (2,711,104)



**WALL TOWNSHIP BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 60,945,106			\$ 2,471,421	\$ 63,416,527
Tuition	378,950				378,950
Preschool Tuition	32,125				32,125
Rental Fees	44,570				44,570
Miscellaneous	363,208	\$ 23,290	-	-	386,498
<b>Total - Local Sources</b>	<b>61,763,959</b>	<b>23,290</b>	<b>-</b>	<b>2,471,421</b>	<b>64,258,670</b>
State Sources	10,886,305	58,979	\$ 32,793	803,647	11,781,724
Federal Sources	160,258	1,160,253	-	-	1,320,511
<b>Total Revenues</b>	<b>72,810,522</b>	<b>1,242,522</b>	<b>32,793</b>	<b>3,275,068</b>	<b>77,360,905</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	28,089,124	240,918			28,330,042
Special Education Instruction	12,070,458	900,594			12,971,052
Vocational Education	590,722				590,722
Other Instruction	1,341,752				1,341,752
School Sponsored Cocurricular/Athletics	1,535,470				1,535,470
Support Services					
Student & Instruction Related Services	9,131,529	92,744			9,224,273
School Administrative Services	4,193,626				4,193,626
General Administrative Services	1,008,626		1,880		1,010,506
Plant Operations and Maintenance	7,212,942				7,212,942
Pupil Transportation	4,641,790	5,950			4,647,740
Business and Other Support Services	1,520,373				1,520,373
Debt Service					
Principal	140,213			2,590,000	2,730,213
Interest and other charges	9,936			682,855	692,791
Capital Outlay	228,201	2,316	80,102	-	310,619
<b>Total Expenditures</b>	<b>71,714,762</b>	<b>1,242,522</b>	<b>81,982</b>	<b>3,272,855</b>	<b>76,312,121</b>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	1,095,760	-	(49,189)	2,213	1,048,784
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Proceeds	337,000	-	-	-	337,000
Transfer In			1,434,780		1,434,780
Transfer Out	(1,434,780)	-	-	-	(1,434,780)
<b>Total Other Financing Sources and Uses</b>	<b>(1,097,780)</b>	<b>-</b>	<b>1,434,780</b>	<b>-</b>	<b>337,000</b>
Net Change in Fund Balances	(2,020)	-	1,385,591	2,213	1,385,784
Fund Balance, Beginning of Year	5,914,238	-	230,621	-	6,144,859
Fund Balance, End of Year	\$ 5,912,218	\$ -	\$ 1,616,212	\$ 2,213	\$ 7,530,643

**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, 2016**

<b>Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)</b>		<b>\$ 1,385,784</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	\$ (1,613,101)	
Capital outlays	<u>310,619</u>	(1,302,482)
<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>		
Increase in accrued interest		(212,483)
<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. Additionally, governmental funds report the effect of premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these activities: (See Note 2)</p>		
		2,393,213
<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	492,365	
Amortization of Deferred Amount on Refunding of Debt	<u>(454,026)</u>	38,339
<p>In the statement of activities, certain operating expenses, e.g., compensated absences and claims and Judgements for self insurance claims 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	(64,161)	
Pension Expense, Net	<u>(892,145)</u>	(956,306)
<b>Change in Net Position of Governmental Activities (Exhibit A-2)</b>		<b><u>\$ 1,346,065</u></b>

**WALL TOWNSHIP BOARD OF EDUCATION  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

	<b>Business-Type Activities-Enterprise Funds</b>		
	<b>Food Services</b>	<b>Other Non-Major Enterprise Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 67,398	\$ 51,604	\$ 119,002
Intergovernmental Accounts Receivable			
State	634		634
Federal	16,550		16,550
Accounts Receivable		10,461	10,461
Inventories	4,759	-	4,759
	<u>89,341</u>	<u>62,065</u>	<u>151,406</u>
Total Current Assets			
Capital Assets			
Machinery & Equipment	562,903		562,903
Less: Accumulated Depreciation	(466,207)	-	(466,207)
	<u>96,696</u>	<u>-</u>	<u>96,696</u>
Total Capital Assets, Net			
Total Assets	<u>186,037</u>	<u>62,065</u>	<u>248,102</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable		4,867	4,867
Unearned Revenue	47,982	1,725	49,707
	<u>47,982</u>	<u>6,592</u>	<u>54,574</u>
Total Current Liabilities			
<b>NET POSITION</b>			
Investment in Capital Assets	96,696		96,696
Unrestricted	41,359	55,473	96,832
	<u>138,055</u>	<u>55,473</u>	<u>193,528</u>
Total Net Position	<u>\$ 138,055</u>	<u>\$ 55,473</u>	<u>\$ 193,528</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, 2016**

	<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	\$ 384,488		\$ 384,488
Daily Sales - Non Reimbursable	859,016		859,016
Miscellaneous			-
Program Fees	-	\$ 334,296	334,296
Total Operating Revenues	<u>1,243,504</u>	<u>334,296</u>	<u>1,577,800</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales - Reimbursable	223,458		223,458
Cost of Sales - Non Reimbursable	369,553		369,553
Salaries and Employee Benefits	818,078	295,216	1,113,294
Supplies and Materials	43,739	7,042	50,781
Purchased Professional and Technical Services	6,420		6,420
Repairs & Maintenance	6,177		6,177
Travel	160	1,533	1,693
Miscellaneous Expenditures	3,473		3,473
Depreciation	13,395	-	13,395
Total Operating Expenses	<u>1,484,453</u>	<u>303,791</u>	<u>1,788,244</u>
Operating Income/(Loss)	<u>(240,949)</u>	<u>30,505</u>	<u>(210,444)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
School Lunch Program	7,612		7,612
Federal Sources			
School Breakfast Program	13,424		13,424
National School Lunch Program	198,840		198,840
Food Distribution Program	51,611	-	51,611
Total Nonoperating Revenues	<u>271,487</u>	<u>-</u>	<u>271,487</u>
Change in Net Position	30,538	30,505	61,043
Total Net Position, Beginning of Year	<u>107,517</u>	<u>24,968</u>	<u>132,485</u>
Total Net Position, End of Year	<u>\$ 138,055</u>	<u>\$ 55,473</u>	<u>\$ 193,528</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, 2016**

	<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	\$ 1,243,467	\$ 324,485	\$ 1,567,952
Payments to Employees' Salaries and Benefits	(818,078)	(290,349)	(1,108,427)
Payments to Suppliers for Goods and Services	(601,789)	(8,575)	(610,364)
Net Cash Provided/(Used) by Operating Activities	<u>(176,400)</u>	<u>25,561</u>	<u>(150,839)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
State and Federal Sources	220,240	-	220,240
Net Cash Provided by Noncapital Financing Activities	<u>220,240</u>	<u>-</u>	<u>220,240</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	43,840	25,561	69,401
Cash and Cash Equivalents, Beginning of Year	23,558	26,043	49,601
Cash and Cash Equivalents, End of Year	<u>\$ 67,398</u>	<u>\$ 51,604</u>	<u>\$ 119,002</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) by Operating Activities</b>			
Operating Income/ (Loss)	\$ (240,949)	\$ 30,505	\$ (210,444)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Depreciation	13,395		13,395
Food Distribution (USDA Commodities) National School Lunch	51,611		51,611
Change in Assets and Liabilities			
Increase/(Decrease) in Accounts Payable		4,867	4,867
(Increase)/Decrease in Accounts Receivable	-	(10,461)	(10,461)
Increase/(Decrease) in Unearned Revenue	(37)	650	613
(Increase)/Decrease in Inventories	(420)	-	(420)
Total Adjustments	<u>64,549</u>	<u>(4,944)</u>	<u>59,605</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ (176,400)</u>	<u>\$ 25,561</u>	<u>\$ (150,839)</u>
Non-Cash Financing Activities			
Fair Value of Food Distribution Program - National School Lunch	\$ 51,611		

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, 2016**

	<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	\$ 246,560	\$ 49,909	\$ 293,769
Cash Held by Trustee	<u>-</u>	<u>-</u>	<u>6,155</u>
 Total Assets	 <u>246,560</u>	 <u>49,909</u>	 <u>\$ 299,924</u>
<b>LIABILITIES</b>			
Intergovernmental Payable	2,471		
Payroll Deductions and Withholdings			\$ 29,777
Flexible Spending (Sect. 125) Plan			6,155
Due to Student Groups	<u>-</u>	<u>-</u>	<u>263,992</u>
 Total Liabilities	 <u>2,471</u>	 <u>-</u>	 <u>\$ 299,924</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims	<u>\$ 244,089</u>		
Restricted for Scholarships		<u>\$ 49,909</u>	

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

**WALL TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b>Private Purpose Scholarships <u>Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Donations		\$ 1,000
Employee Contributions	\$ 74,567	-
Total Contributions	<u>74,567</u>	<u>1,000</u>
Investment Earnings		
Interest	-	27
Net Investment Earnings	<u>-</u>	<u>27</u>
Total Additions	<u>74,567</u>	<u>1,027</u>
<b>DEDUCTIONS</b>		
Unemployment Claims and Contributions	44,365	
Scholarships Awarded	<u>-</u>	<u>5,221</u>
Total Deductions	<u>44,365</u>	<u>5,221</u>
Change in Net Position	30,202	(4,194)
Net Position, Beginning of Year	<u>213,887</u>	<u>54,103</u>
Net Position, End of Year	<u>\$ 244,089</u>	<u>\$ 49,909</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

- 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*, will be effective beginning with the fiscal year ending June 30, 2017. 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. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- 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. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. 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. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. 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.

**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, 2016

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, 2016**

**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, 2016**

**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. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 estimated fair market 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred 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, 2016**

**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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category are 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, personal 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, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Long-Term Obligations (Continued)*

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

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 3.)

*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 2016/2017 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.

*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 2016/2017 District budget certified for taxes



WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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)

Restricted Fund Balance (Continued)

Emergency Reserve – Designated for Subsequent Year's Expenditures - This designation was created to dedicate the portion of emergency reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes (See Note 3).

SEMI – Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of the SEMI revenue that is unexpended at June 30, 2016 that will be appropriated either by Board resolution or into the 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.

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.

Insurance Recoveries – Represents funds received for damages incurred whereby replacement items have not yet been purchased as of June 30.

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.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

***2. Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 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.

***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 2014-2015 and 2015-2016 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, of the before and after school program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 \$50,576,368 difference are as follows:

Bonds Payable	\$ (19,985,000)
Add: Issuance of Premium (to be amortized over life of debt)	(2,073,399)
Capital Leases	(624,765)
Compensated Absences	(1,431,581)
Net Pension Liability	<u>(26,461,623)</u>
 Net Adjustment to Reduce Fund Balance - Total Governmental Funds to arrive at Net Position - Governmental Activities	 <u>\$ (50,576,368)</u>

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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 \$2,393,213 difference are as follows:

Debt issued or incurred:	
Capital Lease	\$ (337,000)
Principal repayments:	
General Obligation Bonds	2,590,000
Payment on Capital Lease	<u>140,213</u>
 Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to arrive at Changes in Net Position of Governmental Activities	 <u>\$ 2,393,213</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 2015/2016. Also, during 2015/2016 the Board increased the original general fund budget by \$112,588. The increase was funded by the reappropriation of prior year general fund encumbrances. The Board increased the original special revenue budget by \$301,026 which was funded by additional grant awards.

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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. Capital Reserve (Continued)**

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, 2016 is as follows:

Balance, July 1, 2015		\$ 3,453,676
Increased by:		
Deposits Approved in District Budget	\$ 625,000	
Deposits Approved by Board Resolution	<u>892,567</u>	
		<u>1,517,567</u>
		4,971,243
Decreased by:		
Withdrawals Approved in District Budget		<u>1,424,838</u>
Balance, June 30, 2016		<u>\$ 3,546,405</u>
Designated in 2016/17 Budget	\$ 625,000	
Available Capital Reserve	<u>2,921,405</u>	
		<u>\$ 3,546,405</u>

**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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**C. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 725,000
Increased by:	
Deposits Approved in District Budget	<u>350,000</u>
	1,075,000
Decreased by:	
Withdrawals Approved in District Budget	<u>525,000</u>
Balance, June 30, 2016	<u>\$ 550,000</u>
Designated in 2016/17 Budget	\$ 350,000
Available Maintenance Reserve	<u>200,000</u>
	<u>\$ 550,000</u>

The June 30, 2016 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. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000.

The activity of the emergency reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 598,500
Decreased by:	
Approved in District Budget	<u>375,000</u>
Balance, June 30, 2016	<u>\$ 223,500</u>
Designated in 2016/17 Budget	<u>\$ 223,500</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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), 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. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$10,354,847 and bank and brokerage firm balances of the Board's deposits amounted to \$11,912,891. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured:	
Cash and Cash Equivalents	\$ 10,476,473
Uninsured and Collateralized	
Cash with Fiscal Agent/Trustee	<u>1,436,418</u>
	<u>\$ 11,912,891</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2016 the Board's bank balance of \$1,436,418 was exposed to custodial credit risk as follows:

<u>Depository Account</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department or agent not in the Board's name	<u>\$ 1,436,418</u>
	<u>\$ 1,436,418</u>

**Investments**

As of June 30, 2016, the Board had no outstanding investments.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**B. Receivables**

Receivables as of June 30, 2016 for the district's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Non-Major Before and After School Program</u>	<u>Total</u>
Receivables:						
Accounts	\$ 204,394	\$ 7,158			\$ 10,461	\$ 222,013
Intergovernmental-						
Federal	115,278	433,195		\$ 16,550		565,023
State	<u>127,215</u>	<u>-</u>	<u>\$ 1,902,898</u>	<u>634</u>	<u>-</u>	<u>2,030,747</u>
Total Receivables	<u>\$ 446,887</u>	<u>\$ 440,353</u>	<u>\$ 1,902,898</u>	<u>\$ 17,184</u>	<u>\$ 10,461</u>	<u>\$ 2,817,783</u>

**C. Unearned Revenue**

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 2,384
Capital Projects Fund	
Unrealized School Facilities Grants	<u>1,104,073</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 1,106,457</u>



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 534,652	-	-	\$ 534,652
Total Capital Assets, Not Being Depreciated	<u>534,652</u>	<u>-</u>	<u>-</u>	<u>534,652</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	51,502,280	\$ 110,740		51,613,020
Improvements Other Than Buildings	2,231,528			2,231,528
Machinery and Equipment	<u>7,510,345</u>	<u>199,879</u>	<u>-</u>	<u>7,710,224</u>
Total Capital Assets Being Depreciated	<u>61,244,153</u>	<u>310,619</u>	<u>-</u>	<u>61,554,772</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(16,473,108)	(1,085,503)		(17,558,611)
Improvements Other Than Buildings	(1,610,022)	(77,577)		(1,687,599)
Machinery and Equipment	<u>(5,804,253)</u>	<u>(450,021)</u>	<u>-</u>	<u>(6,254,274)</u>
Total Accumulated Depreciation	<u>(23,887,383)</u>	<u>(1,613,101)</u>	<u>-</u>	<u>(25,500,484)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,356,770</u>	<u>(1,302,482)</u>	<u>-</u>	<u>36,054,288</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,891,422</u>	<u>\$ (1,302,482)</u>	<u>\$ -</u>	<u>\$ 36,588,940</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2016</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 562,903	-	-	\$ 562,903
Total Capital Assets Being Depreciated	<u>562,903</u>	<u>-</u>	<u>-</u>	<u>562,903</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(452,812)	\$ (13,395)	-	(466,207)
Total Accumulated Depreciation	<u>(452,812)</u>	<u>(13,395)</u>	<u>-</u>	<u>(466,207)</u>
Total Capital Assets, Being Depreciated, Net	<u>110,091</u>	<u>(13,395)</u>	<u>-</u>	<u>96,696</u>
Business-Type Activities Capital Assets, Net	<u>\$ 110,091</u>	<u>\$ (13,395)</u>	<u>\$ -</u>	<u>\$ 96,696</u>

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

<b>Governmental Activities:</b>	
Regular Instruction	<u>\$ 32,262</u>
Total Instruction	<u>32,262</u>
Support Services	
Student & Instruction Related Services	161,310
General Administrative Services	1,161,433
Operations and Maintenance of Plant	16,131
Pupil Transportation	<u>241,965</u>
Total Support Services	<u>1,580,839</u>
Total Governmental Funds	<u>1,613,101</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,613,101</u>
<b>Business-Type Activities:</b>	
Food Service Fund	<u>\$ 13,395</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 13,395</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016:

<u>Project</u>	<u>Remaining Commitment</u>
Front Entrance Modification (All Schools)	\$ 24,711
Phone System and Public Address System Replacememnt (All Schools)	<u>2,391,300</u>
Total	<u>\$ 2,416,011</u>

The District has other significant commitments at June 30, 2016 as follows:

<u>Purposes</u>	<u>Remaining Commitment</u>
Purchase of School Buses	<u>\$ 348,036</u>

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

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 397,001</u>

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

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

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund transfers**

	<u>Transfer In:</u>	
	Capital Projects	
	<u>Fund</u>	<u>Total</u>
Transfer Out:		
General Fund	<u>\$ 1,434,780</u>	<u>\$ 1,434,780</u>
Total Transfers Out	<u>\$ 1,434,780</u>	<u>\$ 1,434,780</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Capital Leases**

The District is leasing buses and other equipment 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>

The unexpended proceeds from capital leases in the amount of \$268,036 at June 30, 2016 are held with the Fiscal Agent.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2017	\$ 260,669
2018	205,368
2019	113,332
2020	<u>69,958</u>
Total minimum lease payments	649,327
Less: amount representing interest	<u>(24,562)</u>
Present value of minimum lease payments	<u>\$ 624,765</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. 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, 2016 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 1.216-4.202%	\$ 2,695,000
\$17,515,000, 2015 School Refunding Bonds, due in annual installments of \$1,865,000 to \$2,410,000 through July 15, 2023, interest at 2.000-5.000%	<u>17,290,000</u>
	<u>\$ 19,985,000</u>

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

**Governmental Activities:**

Fiscal Year Ending	Serial Bonds		Total
	Principal	Interest	
June 30,			
2017	\$ 2,245,000	\$ 814,976	\$ 3,059,976
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
2022-2026	7,605,000	634,921	8,239,921
2027-2028	<u>215,000</u>	<u>9,139</u>	<u>224,139</u>
Total	<u>\$ 19,985,000</u>	<u>\$ 3,887,456</u>	<u>\$ 23,872,456</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 223,373,044
Less: Net Debt	<u>19,985,000</u>
Remaining Borrowing Power	<u>\$ 203,388,044</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance, July 1, 2015	Additions	Reductions	Balance, June 30, 2016	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 22,575,000		\$ (2,590,000)	\$ 19,985,000	\$ 2,245,000
Add:					
Unamortized Premium	2,565,764	-	(492,365)	2,073,399	-
Bonds Payable, Net	25,140,764		(3,082,365)	22,058,399	2,245,000
Capital Leases/Lease Purchase Agreements	427,978	\$ 337,000	(140,213)	624,765	249,965
Compensated Absences	1,367,420	64,161		1,431,581	
Net Pension Liability	22,114,767	5,360,305	(1,013,449)	26,461,623	-
Governmental Activities Long-Term Liabilities	<u>\$ 49,050,929</u>	<u>\$ 5,761,466</u>	<u>\$ (4,236,027)</u>	<u>\$ 50,576,368</u>	<u>\$ 2,494,965</u>

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

**NOTE 5 OTHER INFORMATION**

**A. Risk Management**

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

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

Estimates of claims payable and of claims incurred, but not reported (IBNR) at June 30, 2016, 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 \$1,430,263 reported at June 30, 2016 is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

Changes in the balances of claims liabilities for the workmen's compensation plan for the fiscal years ended June 30, 2016 and 2015 are as follows:

<b>Governmental Activities:</b>	<u>Fiscal Year Ended June 30, 2016</u>	<u>Fiscal Year Ended June 30, 2015</u>
Unpaid Claims, Beginning of Year	\$ 1,430,263	\$ 1,459,944
Incurred claims (including IBNR's)	8,204,649	6,718,636
Claim payments	<u>8,204,649</u>	<u>6,748,317</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 1,430,263</u>	<u>\$ 1,430,263</u>
 General Fund		
Other Current Liabilities	<u>\$ 1,430,263</u>	<u>\$ 1,430,263</u>
	<u>\$ 1,430,263</u>	<u>\$ 1,430,263</u>

The District is a member of the School Excess Liability Joint Insurance Fund (SEL). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance fund 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which they were a member.

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 fund 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>
2016	\$ 74,567	\$ 44,365	\$ 244,089
2015	74,178	62,509	213,887
2014	69,309	37,694	202,218

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**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, 2016, 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, 2016, the District has not estimated its arbitrage earnings due to the IRS, if any.

**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.



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**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).

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

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 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, 2014 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 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience for TPAF.

**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 6.92% for PERS, 6.92% 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, 2016 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.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Annual Pension Costs (APC) (Continued)**

During the fiscal years ended June 30, 2016, 2015 and 2014 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF 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>
2016	\$ 1,014,803	\$ 2,264,637	\$ 45,157
2015	993,194	1,516,090	29,660
2014	845,865	1,116,541	22,752

For fiscal years 2015/2016 and 2014/2015, the state contributed \$2,264,637 and \$1,516,090 respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$1,116,541 for normal cost pension and NCGI premium.

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 \$2,130,369 during the fiscal year ended June 30, 2016 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.

**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, 2016, the District reported in the statement of net position (accrual basis) a liability of \$26,461,623 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 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, 2015, the District's proportionate share was 0.11787 percent, which was a decrease of .00025 percent from its proportionate share measured as of June 30, 2014 of .11812 percent.

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,905,594 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 631,281	
Changes of Assumptions	2,841,767	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 425,452
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>788,846</u>	<u>37,728</u>
Total	<u>\$ 4,261,894</u>	<u>\$ 463,180</u>

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>	
2017	\$ 724,341
2018	724,341
2019	724,341
2020	1,053,821
2021	<u>571,870</u>
	<u>\$ 3,798,714</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2015 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%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

*Discount Rate*

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%



**WALL TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$10,822,203 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, 2016 the State's proportionate share of the net pension liability attributable to the District is \$177,241,722. 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, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was 0.28042 percent, which was an increase of 0.01649 percent from its proportionate share measured as of June 30, 2014 of 0.26393 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u><b>TPAF</b></u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

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



**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2015 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%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

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)

*Discount Rate*

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

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, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Sensitivity of Net Pension Liability*

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 210,645,162</u>	<u>\$ 177,241,722</u>	<u>\$ 148,462,660</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**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)**

***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 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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, 2016**

**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, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 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, 2014, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. 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, 2016**

**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, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 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 who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

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/2015divisioncombined.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, 2016, 2015 and 2014 were \$2,696,558, \$2,406,795 and \$1,830,708, 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.

**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, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 60,945,106		\$ 60,945,106	\$ 60,945,106	
Tuition from Other LEAs	250,000		250,000	337,870	\$ 87,870
Tuition from Individuals	45,000		45,000	41,080	(3,920)
Preschool Tuition (Spec Ed)				32,125	32,125
Rental Fees	25,000		25,000	44,570	19,570
Miscellaneous	35,000	-	35,000	363,208	328,208
<b>Total Local Sources</b>	<b>61,300,106</b>	<b>-</b>	<b>61,300,106</b>	<b>61,763,959</b>	<b>463,853</b>
<b>State Sources</b>					
Special Education Categorical Aid	2,404,489		2,404,489	2,404,489	-
Security Aid	342,358		342,358	342,358	-
Transportation Aid	733,177		733,177	733,177	-
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	-
Extraordinary Aid	150,000		150,000	225,798	75,798
Additional Nonpublic Transportation Aid	15,140		15,140	21,622	6,482
On-behalf TPAF Pension System Contributions- Normal Cost and Accrued Liabilities (Non-Budget)				2,157,180	2,157,180
On-behalf TPAF Pension System Contributions- Noncontributory Insurance (Non-Budget)				107,457	107,457
On-behalf TPAF Pension System Contributions- Post Retirement Medical (Non-Budget)				2,696,558	2,696,558
Reimbursed TPAF Social Security Contributions (Non-Budget)	-	-	-	2,130,369	2,130,369
<b>Total State Sources</b>	<b>3,731,066</b>	<b>-</b>	<b>3,731,066</b>	<b>10,904,910</b>	<b>7,173,844</b>
<b>Federal Sources</b>					
National Clean Diesel Rebate Program	-	-	-	80,000	80,000
Medical Assistance Program	40,990	-	40,990	80,258	39,268
<b>Total Federal Sources</b>	<b>40,990</b>	<b>-</b>	<b>40,990</b>	<b>160,258</b>	<b>119,268</b>
<b>Total Revenues</b>	<b>65,072,162</b>	<b>-</b>	<b>65,072,162</b>	<b>72,829,127</b>	<b>7,756,965</b>
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers</b>					
Kindergarten	794,560	\$ 22,530	817,090	817,090	-
Grades 1-5	6,161,143	(165,742)	5,995,401	5,995,401	-
Grades 6-8	4,585,746	38,067	4,623,813	4,623,813	-
Grades 9-12	6,621,727	(126,688)	6,495,039	6,495,039	-
<b>Regular Programs - Home Instruction</b>					
<b>Salaries of Teachers</b>					
Purchased Professional-Educational Services	20,000	4,167	24,167	24,166	1
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	79,464	3,945	83,409	83,408	1
Purchased Professional-Educational Services	159,900	32,024	191,924	185,900	6,024
Other Purchased Services	224,000	101	224,101	195,448	28,653
General Supplies	981,351	62,330	1,043,681	995,854	47,827
Textbooks	270,744	(103,280)	167,464	153,341	14,123
Other Objects	2,200	-	2,200	1,501	699
<b>Total Regular Programs</b>	<b>19,980,835</b>	<b>(139,214)</b>	<b>19,841,621</b>	<b>19,744,293</b>	<b>97,328</b>
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	195,950	-	195,950	195,950	-
Other Salaries for Instruction	119,571	18,132	137,703	137,702	1
General Supplies	71,000	(56,705)	14,295	14,295	-
<b>Total Learning and/or Language Disabilities</b>	<b>386,521</b>	<b>(38,573)</b>	<b>347,948</b>	<b>347,947</b>	<b>1</b>



**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES</b>					
Special Education (Continued)					
Behavioral Disabilities					
Salaries of Teachers	\$ 194,470	\$ 21,276	\$ 215,746	\$ 215,746	-
Other Salaries for Instruction	34,609	(23,566)	11,043	11,043	-
General Supplies	21,000	(17,000)	4,000	2,678	\$ 1,322
<b>Total Behavioral Disabilities</b>	<b>250,079</b>	<b>(19,290)</b>	<b>230,789</b>	<b>229,467</b>	<b>1,322</b>
Multiple Disabilities					
Salaries of Teachers	376,370	(2,816)	373,554	373,554	-
Other Salaries for Instruction	232,256	(19,573)	212,683	212,683	-
General Supplies	27,000	(12,000)	15,000	13,921	1,079
<b>Total Multiple Disabilities</b>	<b>635,626</b>	<b>(34,389)</b>	<b>601,237</b>	<b>600,158</b>	<b>1,079</b>
Resource Room/ Resource Center					
Salaries of Teachers	4,887,472	14,906	4,902,378	4,902,378	-
Other Salaries for Instruction	723,704	(41,965)	681,739	681,739	-
General Supplies	42,618	(17,718)	24,900	24,900	-
Other Objects	2,500	-	2,500	-	2,500
<b>Total Resource Rooms/ Resource Center</b>	<b>5,656,294</b>	<b>(44,777)</b>	<b>5,611,517</b>	<b>5,609,017</b>	<b>2,500</b>
Preschool Disabilities - Part - Time					
Salaries of Teachers	204,073	9,714	213,787	213,787	-
Other Salaries for Instruction	114,465	(22,210)	92,255	92,255	-
General Supplies	4,000	-	4,000	3,642	358
<b>Total Preschool Disabilities - Part - Time</b>	<b>322,538</b>	<b>(12,496)</b>	<b>310,042</b>	<b>309,684</b>	<b>358</b>
<b>Total Special Education</b>	<b>7,251,058</b>	<b>(149,525)</b>	<b>7,101,533</b>	<b>7,096,273</b>	<b>5,260</b>
Basic Skills/Remedial					
Salaries of Teachers	738,340	(36,924)	701,416	701,416	-
General Supplies	11,000	(3,000)	8,000	7,630	370
<b>Total Basic Skills/Remedial</b>	<b>749,340</b>	<b>(39,924)</b>	<b>709,416</b>	<b>709,046</b>	<b>370</b>
Bilingual Education					
Salaries of Teachers	149,320	61,465	210,785	210,785	-
General Supplies	2,000	1,704	3,704	3,478	226
<b>Total Bilingual Education</b>	<b>151,320</b>	<b>63,169</b>	<b>214,489</b>	<b>214,263</b>	<b>226</b>
School Sponsored Co-Curricular Activities					
Salaries	257,406	3,193	260,599	260,599	-
<b>Total School Sponsored Co-Curricular Activities</b>	<b>257,406</b>	<b>3,193</b>	<b>260,599</b>	<b>260,599</b>	<b>-</b>
School Sponsored Athletics - Instruction					
Salaries	602,980	(634)	602,346	602,346	-
Purchased Services	175,745	(4,947)	170,798	170,548	250
Supplies and Materials	130,690	(23,793)	106,897	106,129	768
<b>Total School Sponsored Athletics - Instruction</b>	<b>909,415</b>	<b>(29,374)</b>	<b>880,041</b>	<b>879,023</b>	<b>1,018</b>
<b>Total - Instruction</b>	<b>29,299,374</b>	<b>(291,675)</b>	<b>29,007,699</b>	<b>28,903,497</b>	<b>104,202</b>

**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	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		\$ 1,640	\$ 1,640	\$ 1,639	\$ 1
Tuition - Other LEA's Within State - Special	\$ 277,885	(189,782)	88,103	41,174	46,929
Tuition to County Voc. School Dist.-Regular	504,013	-	504,013	489,095	14,918
Tuition to County Voc. School Dist.-Special	150,525	-	150,525	101,627	48,898
Tuition to CSSD & Regional Day Schools	97,194	188,142	285,336	285,023	313
Tuition to Private Schools - Disabled Within State	1,571,507	-	1,571,507	1,420,067	151,440
Tuition - Other	5,513	-	5,513	-	5,513
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,606,637</b>	<b>-</b>	<b>2,606,637</b>	<b>2,338,625</b>	<b>268,012</b>
Attendance and Social Work Services					
Salaries	31,500	1,333	32,833	32,833	-
Salaries of Family Liaisons/Comm Parent Inv. Spec.	423,100	-	423,100	423,100	-
<b>Total Attendance and Social Work Services</b>	<b>454,600</b>	<b>1,333</b>	<b>455,933</b>	<b>455,933</b>	<b>-</b>
Health Services					
Salaries	506,555	3,836	510,391	510,391	-
Purchased Professional and Technical Services	12,500	500	13,000	12,600	400
Other Purchased Services	5,000	-	5,000	1,350	3,650
Supplies and Materials	28,000	-	28,000	23,019	4,981
<b>Total Health Services</b>	<b>552,055</b>	<b>4,336</b>	<b>556,391</b>	<b>547,360</b>	<b>9,031</b>
Speech, OT, PT & Related Services					
Salaries	808,310	(3,416)	804,894	804,894	-
Purchased Professional - Educational Services	233,645	(38,100)	195,545	175,943	19,602
Supplies and Materials	4,500	-	4,500	4,197	303
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>1,046,455</b>	<b>(41,516)</b>	<b>1,004,939</b>	<b>985,034</b>	<b>19,905</b>
Other Support Services-Students-Extra Serv.					
Salaries	798,395	160,821	959,216	959,216	-
Purchased Professional-Educational Services	167,000	95,705	262,705	228,664	34,041
Supplies and Materials	12,000	2,000	14,000	13,254	746
<b>Total Other Support Services-Students-Extra Serv.</b>	<b>977,395</b>	<b>258,526</b>	<b>1,235,921</b>	<b>1,201,134</b>	<b>34,787</b>
Guidance					
Salaries of Other Professional Staff	675,235	4,834	680,069	680,069	-
Salaries of Secretarial and Clerical Assistants	199,200	(4,001)	195,199	195,199	-
Supplies and Materials	22,490	-	22,490	19,693	2,797
<b>Total Guidance</b>	<b>896,925</b>	<b>833</b>	<b>897,758</b>	<b>894,961</b>	<b>2,797</b>
Child Study Teams					
Salaries of Other Professional Staff	1,289,370	(9,575)	1,279,795	1,279,795	-
Salaries of Secretarial and Clerical Assistants	215,195	(27,829)	187,366	187,366	-
Other Purchased Prof. and Tech. Services	80,500	-	80,500	71,226	9,274
Misc. Purchased Services	8,500	-	8,500	7,726	774
Supplies and Materials	41,800	2,000	43,800	36,471	7,329
<b>Total Child Study Teams</b>	<b>1,635,365</b>	<b>(35,404)</b>	<b>1,599,961</b>	<b>1,582,584</b>	<b>17,377</b>
Improvement of Instructional Services					
Salaries of Supervisors of instruction	902,861	(101,067)	801,794	660,971	140,823
Purchased Professional-Educ. Svcs.	15,000	-	15,000	15,000	-
Supplies and Materials	3,500	-	3,500	931	2,569
Other Objects	2,500	-	2,500	2,038	462
<b>Total Improvement of Instructional Services</b>	<b>923,861</b>	<b>(101,067)</b>	<b>822,794</b>	<b>678,940</b>	<b>143,854</b>
Educational Media Services/School Library					
Salaries	337,842	(57,133)	280,709	280,709	-
Other Purchased Services	12,000	-	12,000	8,905	3,095
Supplies and Materials	75,841	(3,200)	72,641	71,052	1,589
<b>Total Educational Media Services/School Library</b>	<b>425,683</b>	<b>(60,333)</b>	<b>365,350</b>	<b>360,666</b>	<b>4,684</b>

**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	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	\$ 108,000	\$ 861	\$ 108,861	\$ 76,881	\$ 31,980
Supplies and Materials	10,000	107	10,107	7,790	2,317
Total Instructional Staff Training Services	118,000	968	118,968	84,671	34,297
Support Services General Administration					
Salaries	425,851	(14,047)	411,804	411,804	-
Legal Services	145,000	-	145,000	99,518	45,482
Audit Fees	42,000	-	42,000	41,000	1,000
Architectural/Engineering Services	10,000	(9,292)	708	-	708
Other Purchased Professional Services	24,500	-	24,500	13,435	11,065
Communications/Telephone	135,660	9,292	144,952	144,700	252
BOE Other Purchased Services	2,500	1,624	4,124	2,670	1,454
Misc. Purchased Services	83,600	768	84,368	80,221	4,147
General Supplies	19,000	(1,624)	17,376	10,876	6,500
Judgments Against the School District	50,000	36,590	86,590	12,500	74,090
Miscellaneous Expenditures	5,000	-	5,000	4,360	640
BOE Membership Dues and Fees	28,341	-	28,341	28,039	302
Total Support Services General Administration	971,452	23,311	994,763	849,123	145,640
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	1,486,933	27,970	1,514,903	1,514,903	-
Salaries of Other Professional Staff	595,001	87,067	682,068	682,068	-
Salaries of Secretarial and Clerical Assistants	665,727	6,769	672,496	672,495	1
Other Purchased Services	54,975	500	55,475	47,985	7,490
Supplies and Materials	93,968	4,179	98,147	81,437	16,710
Other Objects	775	-	775	755	20
Total Support Services School Administration	2,897,379	126,485	3,023,864	2,999,643	24,221
Central Services					
Salaries	539,832	1,605	541,437	541,437	-
Purchased Professional Services	87,200	(5,494)	81,706	68,962	12,744
Misc. Purchased Services	34,600	-	34,600	28,972	5,628
Supplies and Materials	29,770	-	29,770	13,858	15,912
Other Objects	1,700	73	1,773	1,773	-
Total Central Services	693,102	(3,816)	689,286	655,002	34,284
Admin. Info. Tech					
Salaries	385,579	(5,966)	379,613	379,613	-
Purchased Technical Services	160,400	-	160,400	125,866	34,534
Other Purchased Services	6,900	373	7,273	6,891	382
Supplies and Materials	15,600	(373)	15,227	13,653	1,574
Total Admin. Info. Tech.	568,479	(5,966)	562,513	526,023	36,490
Required Maintenance for School Facilities					
Cleaning, Repair & Maintenance Services	322,500	(41,061)	281,439	178,368	103,071
General Supplies	250,000	(5,612)	244,388	143,056	101,332
Total Required Maintenance for School Facilities	572,500	(46,673)	525,827	321,424	204,403
Custodial Services					
Salaries	2,612,347	(14,836)	2,597,511	2,597,511	-
Salaries of Non-Instructional Aides	460,503	3,287	463,790	463,790	-
Purchased Professional & Technical Services	36,000	-	36,000	-	36,000
Cleaning, Repair and Maintenance Services	178,250	24,063	202,313	177,497	24,816
Rental of Land & Buildings Other Than Lease Purch Agree.	50,500	-	50,500	47,238	3,262
Other Purchased Property Services	223,160	-	223,160	214,516	8,644
Insurance	518,000	(88,000)	430,000	429,391	609
Miscellaneous Purchased Services	2,200	(67)	2,133	2,092	41
General Supplies	250,000	8,000	258,000	248,202	9,798
Energy (Natural Gas)	500,000	-	500,000	333,322	166,678
Energy (Electricity)	700,000	-	700,000	681,755	18,245
Other Objects	4,000	(6)	3,994	837	3,157
Total Custodial Services	5,534,960	(67,559)	5,467,401	5,196,151	271,250

**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	\$ 163,000	\$ 26,910	\$ 189,910	\$ 181,969	\$ 7,941
General Supplies	60,000	2,991	62,991	58,535	4,456
<b>Total Care &amp; Upkeep of Grounds</b>	<b>223,000</b>	<b>29,901</b>	<b>252,901</b>	<b>240,504</b>	<b>12,397</b>
Security					
Salaries	228,910	12,582	241,492	241,492	-
Purchased Professional and Technical Services	3,000	1,900	4,900	2,450	2,450
General Supplies	9,924	(1,900)	8,024	6,857	1,167
<b>Total Security</b>	<b>241,834</b>	<b>12,582</b>	<b>254,416</b>	<b>250,799</b>	<b>3,617</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	234,267	(5,378)	228,889	228,889	-
Salaries for Pupil Transportation (Between Home and School) - Regular	1,408,255	(54,162)	1,354,093	1,354,093	-
Salaries for Pupil Transportation (Between Home and School) - Special Ed	485,301	(8,860)	476,441	476,441	-
Salaries for Pupil Transportation (Other Than Between Home & School)	70,000	(13,973)	56,027	56,027	-
Salaries for Pupil Transportation (Between Home and School) - NonPublic Sch	54,546	(103)	54,443	54,443	-
Other Purchased Prof. and Technical Services	14,000	31,185	45,185	40,127	5,058
Cleaning, Repair & Maintenance Svc	170,519	(4,675)	165,844	76,192	89,652
Lease Purchase Payments- School Buses	186,036	4,675	190,711	135,410	55,301
Contracted Services (Other Than Between Home and School) - Vendors	20,000	-	20,000	16,989	3,011
Contracted Services (Between Home and School)- Joint Agreements	-	2,306	2,306	2,306	-
Contracted Services (Special Ed Students) - Vendors	20,000	(7,677)	12,323	12,323	-
Contracted Services (Special Ed Students)- Joint Agreements	38,644	(517)	38,127	37,587	540
Contracted Services (Reg. Students)-ESCs & CTSAs	465,503	16,366	481,869	481,869	-
Contracted Services (Spl. Ed. Students)-ESCs & CTSAs	537,403	13,364	550,767	550,767	-
Contracted Services - Aid in Lieu of Payments- NonPublic	88,400	-	88,400	71,707	16,693
Miscellaneous Purchased Services- Transportation	57,500	-	57,500	57,490	10
General Supplies	10,000	-	10,000	5,784	4,216
Transportation Supplies	510,000	(1,885)	508,115	317,589	190,526
Other Objects	2,500	-	2,500	1,700	800
<b>Total Student Transportation Services</b>	<b>4,372,874</b>	<b>(29,334)</b>	<b>4,343,540</b>	<b>3,977,733</b>	<b>365,807</b>
Unallocated Benefits					
Group Insurance	28,000	(2,203)	25,797	25,797	-
Social Security Contributions	1,050,000	(46,670)	1,003,330	1,003,330	-
Other Retirement Contributions - PERS	1,034,456	(19,653)	1,014,803	1,014,803	-
Other Retirement Contributions-Regular	36,000	9,157	45,157	45,157	-
Workmen's Compensation	565,000	(64,264)	500,736	500,736	-
Health Benefits	7,769,118	435,531	8,204,649	8,204,649	-
Tuition Reimbursement	45,000	-	45,000	31,325	13,675
Other Employee Benefits	450,095	(83,517)	366,578	366,578	-
Unused Sick Payment to Terminated/Retired Staff	140,401	2,699	143,100	143,100	-
<b>Total Unallocated Benefits</b>	<b>11,118,070</b>	<b>231,080</b>	<b>11,349,150</b>	<b>11,335,475</b>	<b>13,675</b>

**WALL TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
On Behalf TPAF Pension System Contributions- Noncontributory Insurance (Non Budgeted)				\$ 107,457	\$ (107,457)
On Behalf TPAF Pension System Contributions-Normal Cost and Accrued Liabilities				2,157,180	(2,157,180)
On Behalf TPAF Pension System Contributions- Post-Retirement Medical -(Non Budgeted)				2,696,558	(2,696,558)
Reimbursed TPAF Social Security Contribution (Non Budgeted)	-	-	-	2,130,369	(2,130,369)
<b>Total On-Behalf Contributions</b>	-	-	-	<b>7,091,564</b>	<b>(7,091,564)</b>
<b>Total Undistributed Expenditures</b>	<b>\$ 36,830,626</b>	<b>\$ 297,687</b>	<b>\$ 37,128,313</b>	<b>42,573,349</b>	<b>(5,445,036)</b>
<b>Total Expenditures - Current Expenditures</b>	<b>66,130,000</b>	<b>6,012</b>	<b>66,136,012</b>	<b>71,476,846</b>	<b>(5,340,834)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Regular Programs - Instruction					
Grades 1-5		-			-
Grades 6-8					
Grades 9-12		56,864	56,864	56,864	-
Undistributed Expenditures					
School-Sponsored and Other Instructional Programs		16,035	16,035	16,035	
Non- Instructional	74,440	12,000	86,440	68,060	18,380
<b>Total Equipment</b>	<b>74,440</b>	<b>84,899</b>	<b>159,339</b>	<b>140,959</b>	<b>18,380</b>
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	267,780	(265,280)	2,500	-	2,500
Construction Services	1,167,000	(1,147,823)	19,177	19,177	-
Assessment for Debt Service on SDA Funding	7,780	-	7,780	7,780	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>1,442,560</b>	<b>(1,413,103)</b>	<b>29,457</b>	<b>26,957</b>	<b>2,500</b>
Assets Acquired Under Capital Leases (Non-Budgeted)	-	-	-	70,000	(70,000)
<b>Total Capital Outlay</b>	<b>1,517,000</b>	<b>(1,328,204)</b>	<b>188,796</b>	<b>237,916</b>	<b>(49,120)</b>
<b>Total Expenditures</b>	<b>67,647,000</b>	<b>(1,322,192)</b>	<b>66,324,808</b>	<b>71,714,762</b>	<b>(5,389,954)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,574,838)	1,322,192	(1,252,646)	1,114,365	2,367,011
<b>Other Financing Sources (Uses)</b>					
Transfers Out - Capital Outlay to Capital Projects Fund Capital Leases (Non-Budget)	-	(1,434,780)	(1,434,780)	(1,434,780)	-
	-	-	-	337,000	337,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>(1,434,780)</b>	<b>(1,434,780)</b>	<b>(1,097,780)</b>	<b>337,000</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,574,838)	(112,588)	(2,687,426)	16,585	2,704,011
<b>Fund Balances, Beginning of Year</b>	<b>6,459,194</b>	<b>-</b>	<b>6,459,194</b>	<b>6,459,194</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,884,356</b>	<b>\$ (112,588)</b>	<b>\$ 3,771,768</b>	<b>\$ 6,475,779</b>	<b>\$ 2,704,011</b>
<b>Recapitulation</b>					
Restricted Fund Balance					
Capital Reserve				\$ 2,921,405	
Maintenance Reserve				200,000	
Designated for Subsequent Year's Expenditures - 2016/2017 Budget					
Capital Reserve				625,000	
Maintenance Reserve				350,000	
Emergency Reserve				223,500	
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					
Insurance Recoveries				125,525	
Year End Encumbrances				348,036	
Assigned Fund Balance					
Year End Encumbrances				250,573	
Unassigned Fund Balance				1,402,040	
				6,475,779	
<b>Reconciliation to Governmental Funds Statements (GAAP)</b>					
2015/2016 State Aid Payments Not Recognized on GAAP Basis				(337,763)	
2015/2016 Extraordinary Aid Revenue Not Recognized on GAAP Basis				(225,798)	
<b>Fund Balance Per Governmental Funds (GAAP)</b>				<b>\$ 5,912,218</b>	

**WALL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ (5,662)	\$ 64,338	\$ 58,869	\$ (5,469)
Federal	1,040,000	291,117	1,331,117	1,160,253	(170,864)
Local Sources					
Miscellaneous	-	15,571	15,571	15,571	-
Total Revenues	<u>1,110,000</u>	<u>301,026</u>	<u>1,411,026</u>	<u>1,234,693</u>	<u>(176,333)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	250,000	(155,716)	94,284	85,268	9,016
Tuition - Other Purchased Services	790,000	14,400	804,400	800,440	3,960
Purchased Professional and Technical Services		132,711	132,711	100,154	32,557
General Supplies		228,258	228,258	139,229	89,029
Textbooks	18,000	(6,973)	11,027	9,645	1,382
Total Instruction	<u>1,058,000</u>	<u>212,680</u>	<u>1,270,680</u>	<u>1,134,736</u>	<u>135,944</u>
Support Services					
Salaries of Teachers		12,607	12,607	1,371	11,236
Personal Services-Employee Benefits		8,924	8,924	6,909	2,015
Purchased Professional/Technical Svc	-	40,000	40,000	33,251	6,749
Contracted Services-Transportation		5,950	5,950	5,950	-
Other Purchased Professional and Technical Services	45,000	(2,164)	42,836	42,836	-
Other Purchased Services	7,000	6	7,006	1,050	5,956
Supplies and Materials	-	8,873	8,873	7,327	1,546
Total Support Services	<u>52,000</u>	<u>74,196</u>	<u>126,196</u>	<u>98,694</u>	<u>27,502</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	-	14,150	14,150	1,263	12,887
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>14,150</u>	<u>14,150</u>	<u>1,263</u>	<u>12,887</u>
Total Expenditures	<u>1,110,000</u>	<u>301,026</u>	<u>1,411,026</u>	<u>1,234,693</u>	<u>176,333</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**WALL TOWNSHIP BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 72,829,127	(C-2) \$ 1,234,693
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, 2015		7,829
State Aid payments recognized for GAAP purposes, not recognized for Budgetary statements (2014/2015 State Aid)	544,956	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2015/2016 State Aid)	<u>(563,561)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2) \$ <u>72,810,522</u>	\$ <u>1,242,522</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 71,714,762	(C-2) \$ 1,234,693
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, 2015	<u>-</u>	<u>7,829</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>71,714,762</u>	\$ <u>1,242,522</u>



**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 Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.11787%	0.11812%	0.11213%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 26,461,623</u>	<u>\$ 22,114,767</u>	<u>\$ 21,430,356</u>
District's Covered-Employee Payroll	\$ 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	316%	276%	266%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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 Three Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,013,449	\$ 973,741	\$ 845,865
Contributions in Relation to the Contractually Required Contribution	<u>1,013,449</u>	<u>973,741</u>	<u>845,865</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 8,383,906	\$ 8,019,520	\$ 8,070,828
Contributions as a Percentage of Covered-Employee Payroll	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 Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 177,241,722</u>	<u>\$ 141,063,164</u>	<u>\$ 137,997,158</u>
<b>Total</b>	<u>\$ 177,241,722</u>	<u>\$ 141,063,164</u>	<u>\$ 137,997,158</u>
District's Covered-Employee Payroll	\$ 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%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2016**

**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**

**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, 2016**

	<u>NCLB Title I</u>	<u>NCLB Title IIA</u>	<u>Title III</u>	<u>IDEA Part B-Basic</u>	<u>IDEA Part B Preschool</u>	<u>Total Exhibit E-1a</u>	<u>Totals</u>
<b>REVENUES</b>							
Intergovernmental							
State						\$ 58,869	\$ 58,869
Federal	\$ 206,042	\$ 41,241	\$ 16,776	\$ 849,727	\$ 46,467		1,160,253
Other	-	-	-	-	-	15,571	15,571
Total Revenues	<u>\$ 206,042</u>	<u>\$ 41,241</u>	<u>\$ 16,776</u>	<u>\$ 849,727</u>	<u>\$ 46,467</u>	<u>\$ 74,440</u>	<u>\$ 1,234,693</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 75,534		\$ 9,734				\$ 85,268
Tuition - Other Purchased Services			4,400	\$ 796,040			800,440
Purchased Prof & Tech Svcs				53,687	\$ 46,467		100,154
General Supplies	122,866		1,617			\$ 14,746	139,229
Textbooks	-	-	-	-	-	9,645	9,645
Total Instruction	<u>198,400</u>	<u>-</u>	<u>15,751</u>	<u>849,727</u>	<u>46,467</u>	<u>24,391</u>	<u>1,134,736</u>
Support Services							
Salaries of Teachers	1,371						1,371
Personal Svcs. -Emp. Benefits	5,884		1,025				6,909
Purchased Prof & Tech Svcs		\$ 33,251				-	33,251
Contracted Svcs. -Transportation						5,950	5,950
Other Purchased Professional and Technical Services						42,836	42,836
Other Purchased Services		1,050				-	1,050
Supplies and Materials	387	6,940	-	-	-	-	7,327
Total Support Services	<u>7,642</u>	<u>41,241</u>	<u>1,025</u>	<u>-</u>	<u>-</u>	<u>48,786</u>	<u>98,694</u>
Facilities Acquisition and Construction Services							
Instructional Equipment	-	-	-	-	-	1,263	1,263
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263</u>	<u>1,263</u>
Total Expenditures	<u>\$ 206,042</u>	<u>\$ 41,241</u>	<u>\$ 16,776</u>	<u>\$ 849,727</u>	<u>\$ 46,467</u>	<u>\$ 74,440</u>	<u>\$ 1,234,693</u>

WALL TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Nonpublic Chap. 193			Nonpublic Nursing	Nonpublic Textbook Aid	Chap. 192 Nonpublic Transportation	Chap. 192 Nonpublic Compensatory Education Services	Nonpublic Security	Nonpublic Technology	Local Grants	Total Exhibit E-1a
	Exam. & Class.	Speech	Supp. Instr.								
<b>REVENUES</b>											
Intergovernmental											
State	\$ 3,410	\$ 14,213	\$ 3,119	\$ 13,233	\$ 9,645	\$ 5,950	\$ 4,230	\$ 438	\$ 4,631		\$ 58,869
Federal											
Other	-	-	-	-	-	-	-	-	-	\$ 15,571	15,571
<b>Total Revenues</b>	<b>\$ 3,410</b>	<b>\$ 14,213</b>	<b>\$ 3,119</b>	<b>\$ 13,233</b>	<b>\$ 9,645</b>	<b>\$ 5,950</b>	<b>\$ 4,230</b>	<b>\$ 438</b>	<b>\$ 4,631</b>	<b>\$ 15,571</b>	<b>\$ 74,440</b>
<b>EXPENDITURES</b>											
Instruction											
General Supplies								\$ 438		\$ 14,308	\$ 14,746
Textbooks	-	-	-	-	\$ 9,645	-	-	-	-	-	9,645
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,645</b>	<b>-</b>	<b>-</b>	<b>438</b>	<b>-</b>	<b>14,308</b>	<b>24,391</b>
Support Services											
Contracted Services-Transportation						\$ 5,950					5,950
Other Purchased Professional and Technical Services	\$ 3,410	\$ 14,213	\$ 3,119	\$ 13,233	-	-	\$ 4,230	-	\$ 4,631	-	42,836
<b>Total Support Services</b>	<b>3,410</b>	<b>14,213</b>	<b>3,119</b>	<b>13,233</b>	<b>-</b>	<b>5,950</b>	<b>4,230</b>	<b>-</b>	<b>4,631</b>	<b>-</b>	<b>48,786</b>
Facilities Acquisition and Construction											
Services											
Instructional Equipment	-	-	-	-	-	-	-	-	-	1,263	1,263
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,263</b>	<b>1,263</b>
<b>Total Expenditures</b>	<b>\$ 3,410</b>	<b>\$ 14,213</b>	<b>\$ 3,119</b>	<b>\$ 13,233</b>	<b>\$ 9,645</b>	<b>\$ 5,950</b>	<b>\$ 4,230</b>	<b>\$ 438</b>	<b>\$ 4,631</b>	<b>\$ 15,571</b>	<b>\$ 74,440</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, 2016**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**WALL TOWNSHIP BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2016</u>
			<u>Prior Year</u>	<u>Current Year</u>	
2014	HVAC- West Belmar	\$ 144,606	\$ 141,606		\$ 3,000
2014	Emergency Generators-Various Schools	408,649	386,150		22,499
2014	Front Entrance Modification-Various Schools	434,712	379,744	-	54,968
2015	Security Upgrades- Various Schools	644,000	593,504	\$ 37,772	12,724
2015	Roof Replacement- Various Schools	734,000	453,996	44,210	235,794
2016	Phone System- Various Schools	458,300	-	-	458,300
2016	Public Address System - Various Schools	1,933,000	-	-	1,933,000
		<u>\$ 4,757,267</u>	<u>\$ 1,955,000</u>	<u>\$ 81,982</u>	<u>\$ 2,720,285</u>
	Fund Balance, Budgetary Basis				\$ 2,720,285
	Less: Unrealized SDA Grants				<u>(1,104,073)</u>
	Fund Balance, GAAP Basis				<u>\$ 1,616,212</u>
	<b><u>Reconciliation of Fund Balance</u></b>				
	Restricted				
	Year-End Encumbrances				\$ 2,416,891
	Available for Capital Projects				<u>(800,679)</u>
	Total Fund Balance- Restricted for Capital Projects				<u>\$ 1,616,212</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, 2016**

**Revenues and Other Financing Sources**

## Revenues

State - Regular Operating District (SDA) Grants	\$ 956,520
Other Financing Sources	
Local Share - Transfer from Capital Outlay	<u>1,434,780</u>
Total Revenues and Other Financing Sources	<u>2,391,300</u>

**Expenditures and Other Financing Uses**

## Expenditures

Purchased Professional and Technical Services	1,880
Construction Services	<u>80,102</u>
Total Expenditures	<u>81,982</u>

Excess Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,309,318
-------------------------------------------------------------------------------------------	-----------

Fund Balance, Beginning of Year	<u>410,967</u>
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Fund Balance, End of Year	<u>\$ 2,720,285</u>
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## Reconciliation to Governmental Fund Statements (GAAP):

Fund Balance per Governmental Funds (Budgetary)	\$ 2,720,285
Less: Unearned SDA Grant Revenue Not Recognized on GAAP Basis	<u>(1,104,073)</u>

Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,616,212</u>
--------------------------------------------	---------------------

**WALL TOWNSHIP BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS BUDGETARY BASIS**  
**HVAC- WEST BELMAR**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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 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>
Total Revenues and Other Financing Sources	<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>
Total Expenditures	<u>141,606</u>	<u>-</u>	<u>141,606</u>	<u>144,606</u>
Excess Revenues Over Expenditures	<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, 2016**

	<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	245,192	-	245,192	245,192
<b>Total Revenues and Other Financing Sources</b>	<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	386,150	-	386,150	408,649
<b>Total Expenditures</b>	<u>386,150</u>	<u>-</u>	<u>386,150</u>	<u>408,649</u>
<b>Excess Revenues Over Expenditures</b>	<u>\$ 22,499</u>	<u>\$ -</u>	<u>\$ 22,499</u>	<u>\$ -</u>

		<u>Original Authorized Cost</u>	<u>Revised Authorized Cost</u>
<b>Additional Project Information:</b>			
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 204,800	97,883
		<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, 2016**

	<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	
Local Sources - Transfer from Capital Outlay	260,834	-	260,834	-
<b>Total Revenues and Other Financing Sources</b>	<u>434,712</u>	<u>-</u>	<u>434,712</u>	<u>-</u>
<b>Expenditures and Other Financing Uses</b>				
<b>Expenditures</b>				
Purchased Professional and Technical Services	41,955	-	41,955	
Construction Services	337,789	-	337,789	-
<b>Total Expenditures</b>	<u>379,744</u>	<u>-</u>	<u>379,744</u>	<u>-</u>
<b>Excess Revenues Over Expenditures</b>	<u>\$ 54,968</u>	<u>\$ -</u>	<u>\$ 54,968</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	\$ 83,365	
West Belmar Elementary School	5420-080-14-1038-G04	37,500	37,085	
Old Mill Elementary School	5420-077-14-1029-G04	75,000	67,169	
Central Elementary School	5420-070-14-1020-G04	75,000	67,836	
Allenwood Elementary School	5420-060-14-1014-G04	103,750	90,234	
Primary School	5420-078-14-1030-G04	15,000	14,187	
Wall Township High School	5420-050-14-1009-G04	75,000	74,836	
		<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	87%			
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, 2016**

	<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	<u>386,400</u>	<u>-</u>	<u>386,400</u>	<u>386,400</u>
Total Revenues and Other Financing Sources	<u>644,000</u>	<u>-</u>	<u>644,000</u>	<u>644,000</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	50,067	\$ 600	50,667	54,500
Construction Services	<u>543,437</u>	<u>37,172</u>	<u>580,609</u>	<u>589,500</u>
Total Expenditures	<u>593,504</u>	<u>37,772</u>	<u>631,276</u>	<u>644,000</u>
Excess/(Deficiency) Revenues Over Expenditures	<u>\$ 50,496</u>	<u>\$ (37,772)</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	<u>160,000</u>
		<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, 2016**

	<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	<u>440,400</u>	<u>-</u>	<u>440,400</u>	<u>440,400</u>
Total Revenues and Other Financing Sources	<u>734,000</u>	<u>-</u>	<u>734,000</u>	<u>734,000</u>
<b>Expenditures and Other Financing Uses</b>				
Expenditures				
Purchased Professional and Technical Services	55,846	\$ 1,280	57,126	147,214
Construction Services	<u>398,150</u>	<u>42,930</u>	<u>441,080</u>	<u>586,786</u>
Total Expenditures	<u>453,996</u>	<u>44,210</u>	<u>498,206</u>	<u>734,000</u>
Excess/(Deficiency) Revenues Over Expenditures	<u>\$ 280,004</u>	<u>\$ (44,210)</u>	<u>\$ 235,794</u>	<u>\$ -</u>
			Original Authorized Cost	

**Additional Project Information:**

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, 2016**

	<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	-	-	-	458,300
Total Expenditures	-	-	-	458,300
Excess Revenues Over Expenditures	\$ -	\$ 458,300	\$ 458,300	\$ -
			<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	0%
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, 2016**

	<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
	<u>-</u>	<u>1,933,000</u>	<u>1,933,000</u>	<u>1,933,000</u>
<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				
Purchased Professional and Technical Services	-	-	-	-
Construction Services	-	-	-	1,933,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,933,000</u>
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,933,000</u>
<b>Excess Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ 1,933,000</u>	<u>\$ 1,933,000</u>	<u>\$ -</u>
			<u>Original Authorized Cost</u>	

**Additional Project Information:**

Project Number			
	Wall Intermediate School		\$ 473,000
	West Belmar Elementary School		150,000
	Old Mill Elementary School		210,000
	Central Elementary School		210,000
	Allenwood Elementary School		188,000
	Wall Township High School		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		0%	
Original Target Completion Date		2016/17	

**PROPRIETARY FUNDS**

**WALL TOWNSHIP BOARD OF EDUCATION  
 ENTERPRISE FUNDS - NON MAJOR  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2016**

	<u>Before and After School Programs</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 51,604
Accounts Receivable	<u>10,461</u>
Total Current Assets	<u>62,065</u>
Total Assets	<u>62,065</u>
<b>LIABILITIES</b>	
Accounts Payable	4,867
Unearned Revenue	<u>1,725</u>
Total Liabilities	<u>6,592</u>
<b>NET POSITION</b>	
Unrestricted	<u>55,473</u>
Total Net Position	<u>\$ 55,473</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, 2016**

	<u>Before and After School Programs</u>
<b>OPERATING REVENUES</b>	
Charges for Services	
Program Fees	\$ 334,296
Total Operating Revenues	<u>334,296</u>
<b>OPERATING EXPENSES</b>	
Salaries and Employee Benefits	295,216
Supplies and Materials	7,042
Travel	<u>1,533</u>
Total Operating Expenses	<u>303,791</u>
Operating Income/Change in Net Position	30,505
Total Net Position, Beginning of Year	<u>24,968</u>
Total Net Position, End of Year	<u>\$ 55,473</u>



**WALL TOWNSHIP BOARD OF EDUCATION  
ENTERPRISE FUNDS - NON MAJOR  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Before and After School Programs</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 324,485
Payments to Employees' Salaries and Benefits	(290,349)
Payments to Customers for Refunded Program Fees	(8,575)
Net Cash Provided by Operating Activities	25,561
Net Increase in Cash and Cash Equivalents	25,561
Cash and Cash Equivalents, Beginning of Year	26,043
Cash and Cash Equivalents, End of Year	\$ 51,604
<b>Reconciliation of Operating Income to Net Provided Used by by Operating Activities</b>	
Operating Income	\$ 30,505
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
(Increase)/Decrease in Accounts Receivable	(10,461)
Increase/(Decrease) in Accounts Payable	4,867
Increase/(Decrease) in Unearned Revenue	650
Total Adjustments	(4,944)
Net Cash Provided by Operating Activities	\$ 25,561

**FIDUCIARY FUNDS**

**WALL TOWNSHIP BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 263,992	\$ 29,777	\$ 293,769
Cash Held by Trustee	<u>-</u>	<u>6,155</u>	<u>6,155</u>
Total Assets	<u>\$ 263,992</u>	<u>\$ 35,932</u>	<u>\$ 299,924</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings		\$ 29,777	\$ 29,777
Flexible Spending (Sect. 125) Plan		6,155	6,155
Due to Student Groups	<u>\$ 263,992</u>	<u>-</u>	<u>263,992</u>
Total Liabilities	<u>\$ 263,992</u>	<u>\$ 35,932</u>	<u>\$ 299,924</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

	<b>Balance, July 1, <u>2015</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2016</u></b>
<b>ELEMENTARY SCHOOL</b>				
Wall Central	\$ 3,856	\$ 2,436	\$ 1,410	\$ 4,882
Total Elementary School	<u>3,856</u>	<u>2,436</u>	<u>1,410</u>	<u>4,882</u>
<b>MIDDLE SCHOOL</b>				
Wall Intermediate School	43,800	254,170	245,929	52,041
Athletic Account	<u>3,971</u>	<u>43,828</u>	<u>43,427</u>	<u>4,372</u>
Total Middle School	<u>47,771</u>	<u>297,998</u>	<u>289,356</u>	<u>56,413</u>
<b>HIGH SCHOOL</b>				
Wall High School	188,158	377,265	370,634	194,789
Athletic Account	6,210	121,214	126,088	1,336
Driver Education	<u>8,613</u>	<u>17,700</u>	<u>19,741</u>	<u>6,572</u>
Total High School	<u>202,981</u>	<u>516,179</u>	<u>516,463</u>	<u>202,697</u>
Total All Schools	<u>\$ 254,608</u>	<u>\$ 816,613</u>	<u>\$ 807,229</u>	<u>\$ 263,992</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Balance, July 1, <u>2015</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2016</u></b>
<b>ASSETS</b>				
Cash	\$ 103,687	\$ 49,972,589	\$ 50,046,499	\$ 29,777
Cash Held by Trustee	<u>1,423</u>	<u>18,234</u>	<u>13,502</u>	<u>6,155</u>
 Total Assets	 <u>\$ 105,110</u>	 <u>\$ 49,990,823</u>	 <u>\$ 50,060,001</u>	 <u>\$ 35,932</u>
 <b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 80,084	\$ 22,764,206	\$ 22,814,513	\$ 29,777
Accrued Salaries and Wages		27,208,383	27,208,383	
Flexible Spending (Sect. 125) Account	1,423	18,234	13,502	6,155
Due to Other Funds	<u>23,603</u>	<u>-</u>	<u>23,603</u>	<u>-</u>
 Total Liabilities	 <u>\$ 105,110</u>	 <u>\$ 49,990,823</u>	 <u>\$ 50,060,001</u>	 <u>\$ 35,932</u>

**LONG-TERM DEBT**

WALL TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF SERIAL BONDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2015</u>	<u>Paid</u>	<u>Balance, June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Bonds	12/7/2005	\$ 9,880,000				\$ 620,000	\$ 620,000	-
School Refunding Bonds	1/4/2006	9,950,000				625,000	625,000	-
School Refunding Bonds	1/31/2007	10,000,000				750,000	750,000	-
Pension Refunding Bonds	7/3/2012	3,790,000	7/15/2016	\$ 380,000	1.866			
			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		3,065,000	370,000	\$ 2,695,000	
School Refunding Bonds	4/22/2015	17,515,000	7/15/2016	1,865,000	2.000			
			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			
								17,515,000
Totals						\$ 22,575,000	\$ 2,590,000	\$ 19,985,000
Paid by Budget Appropriation							\$ 2,590,000	



**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES/LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Amount of Lease</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2016</u>
2015 School Buses (3)	\$ 266,760	2.350%	\$ 159,998		\$ 52,099	\$ 107,899
2014 School Buses (3)	173,868	2.000%	104,334		34,090	70,244
2016 School Buses (2)	120,698	2.380%	96,179		23,203	72,976
2015 School Bus	84,666	2.380%	67,467		16,276	51,191
Various Equipment	70,000	2.493%	-	\$ 70,000	14,545	55,455
2016 School Buses (4)	<u>267,000</u>	2.110%	<u>-</u>	<u>267,000</u>	<u>-</u>	<u>267,000</u>
	<u>\$ 982,992</u>		<u>\$ 427,978</u>	<u>\$ 337,000</u>	<u>\$ 140,213</u>	<u>\$ 624,765</u>
			Paid by Budget Appropriation		<u>\$ 140,213</u>	

**WALL TOWNSHIP BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<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	\$ 2,471,421		\$ 2,471,421	\$ 2,471,421	
State Sources					
Debt Service Aid- Type II	<u>803,647</u>	<u>-</u>	<u>803,647</u>	<u>803,647</u>	<u>-</u>
Total Revenues	<u>3,275,068</u>	<u>-</u>	<u>3,275,068</u>	<u>3,275,068</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	2,365,000		2,590,000	2,590,000	
Interest	<u>910,068</u>	<u>-</u>	<u>685,068</u>	<u>682,855</u>	<u>\$ 2,213</u>
Total Expenditures	<u>3,275,068</u>	<u>-</u>	<u>3,275,068</u>	<u>3,272,855</u>	<u>2,213</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,213</u>	<u>2,213</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,213</u>	<u>\$ 2,213</u>
<b><u>Recapitulation of Fund Balance</u></b>					
Available for Debt Service Expenditures				<u>\$ 2,213</u>	

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
					(Restated)	(Restated)		(Restated)		
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 3,874,278	\$ 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
Restricted	145,165	46,036	36,034	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297	5,712,617
Unrestricted	<u>(3,632,787)</u>	<u>(5,058,281)</u>	<u>(5,774,026)</u>	<u>(3,773,176)</u>	<u>(4,124,667)</u>	<u>(3,817,074)</u>	<u>(2,778,148)</u>	<u>(23,633,552)</u>	<u>(24,643,354)</u>	<u>(25,626,679)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 386,656</u>	<u>\$ (781,068)</u>	<u>\$ (1,101,918)</u>	<u>\$ 919,662</u>	<u>\$ 1,796,311</u>	<u>\$ 10,205,982</u>	<u>\$ 14,006,692</u>	<u>\$ (6,078,701)</u>	<u>\$ (4,057,169)</u>	<u>\$ (2,711,104)</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 142,118	\$ 166,329	\$ 161,364	\$ 137,373	\$ 115,315	\$ 144,719	\$ 136,138	\$ 124,473	\$ 110,091	\$ 96,696
Restricted										
Unrestricted	<u>360,122</u>	<u>191,336</u>	<u>125,316</u>	<u>300,982</u>	<u>343,426</u>	<u>190,941</u>	<u>74,313</u>	<u>28,543</u>	<u>22,394</u>	<u>96,832</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 502,240</u>	<u>\$ 357,665</u>	<u>\$ 286,680</u>	<u>\$ 438,355</u>	<u>\$ 458,741</u>	<u>\$ 335,660</u>	<u>\$ 210,451</u>	<u>\$ 153,016</u>	<u>\$ 132,485</u>	<u>\$ 193,528</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 4,016,396	\$ 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
Restricted	145,165	46,036	36,034	1	900,001	3,543,636	4,452,232	4,312,842	4,409,297	5,712,617
Unrestricted	<u>(3,272,665)</u>	<u>(4,866,945)</u>	<u>(5,648,710)</u>	<u>(3,472,194)</u>	<u>(3,781,241)</u>	<u>(3,626,133)</u>	<u>(2,703,835)</u>	<u>(23,605,009)</u>	<u>(24,620,960)</u>	<u>(25,529,847)</u>
<b>Total District Net Position</b>	<u>\$ 888,896</u>	<u>\$ (423,403)</u>	<u>\$ (815,238)</u>	<u>\$ 1,358,017</u>	<u>\$ 2,255,052</u>	<u>\$ 10,541,642</u>	<u>\$ 14,217,143</u>	<u>\$ (5,923,685)</u>	<u>\$ (3,924,684)</u>	<u>\$ (2,517,576)</u>

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

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

Source: District's financial statements

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 27,041,320	\$ 26,137,360	\$ 24,916,852	\$ 25,585,769	\$ 24,533,774	\$ 23,679,968	\$ 26,404,404	\$ 26,886,838	\$ 31,427,530	\$ 33,698,651
Special Education	8,620,877	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
Vocational - Tuition	556,092	666,453	567,760	461,999	559,918	527,268	647,315	654,740	600,106	590,722
Other Instruction	954,631	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
School Sponsored Activities And Athletics	1,304,281	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
<b>Support Services:</b>										
Tuition										
Student and Instruction Related Services	6,500,858	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
General Administration	1,499,840	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
School Administration	3,455,215	3,659,138	3,406,781	3,735,812	4,218,653	3,911,563	3,725,116	3,913,365	4,530,340	4,729,551
Plant Operations and Maintenance	6,577,524	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
Student Transportation	4,255,796	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
Business/Central and Other Support Services	1,761,773	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
Unallocated Health Benefits										
Charter Schools	24,676	9,939		22,291	24,208	35,105	-	-		
Capital Outlay										
Interest On Long-Term Debt	1,962,869	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
Unallocated Depreciation										
<b>Total Governmental Activities Expenses</b>	<b>64,515,752</b>	<b>67,185,079</b>	<b>65,697,917</b>	<b>67,184,481</b>	<b>65,938,312</b>	<b>65,913,684</b>	<b>69,257,547</b>	<b>71,328,062</b>	<b>79,473,746</b>	<b>84,572,406</b>
<b>Business-Type Activities:</b>										
Food Service	1,546,810	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
After School Prep Enterprise Fund					8,128	4,923	3,525	8,636	14,002	303,791
<b>Total Business-Type Activities Expense</b>	<b>1,546,810</b>	<b>1,745,112</b>	<b>1,736,234</b>	<b>1,624,853</b>	<b>1,670,157</b>	<b>1,647,965</b>	<b>1,557,559</b>	<b>1,492,551</b>	<b>1,483,777</b>	<b>1,788,244</b>
<b>Total District Expenses</b>	<b>\$ 66,062,562</b>	<b>\$ 68,930,191</b>	<b>\$ 67,434,151</b>	<b>\$ 68,809,334</b>	<b>\$ 67,608,469</b>	<b>\$ 67,561,649</b>	<b>\$ 70,815,106</b>	<b>\$ 72,820,613</b>	<b>\$ 80,957,523</b>	<b>\$ 86,360,650</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Instruction (Tuition)	\$ 143,093	\$ 60,200	\$ 41,026	\$ 95,669	\$ 133,908	\$ 113,705	\$ 247,878	\$ 348,355	\$ 411,303	\$ 411,075
Pupil Transportation	12,942	3,478		400						
Rentals	20,833	17,227	12,245	12,190	19,695	12,153	16,005	20,300	25,552	44,570
Operating Grants And Contributions	11,052,595	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
Capital Grants And Contributions	-	-	-	462,141	618,546	-	-	-	766,032	35,109
<b>Total Governmental Activities Program Revenues</b>	<b>11,229,463</b>	<b>11,189,508</b>	<b>9,596,215</b>	<b>11,495,351</b>	<b>8,321,018</b>	<b>10,927,661</b>	<b>11,600,301</b>	<b>10,987,953</b>	<b>18,766,292</b>	<b>21,640,820</b>

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 1,371,810	\$ 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
After School Prep Programs						10,775	4,475	15,100	19,080	334,296
Operating Grants And Contributions	131,890	126,751	190,468	215,632	213,031	228,166	234,397	243,042	231,162	271,487
Capital Grants And Contributions										
Total Business Type Activities Program Revenues	<u>1,503,700</u>	<u>1,589,951</u>	<u>1,663,174</u>	<u>1,775,689</u>	<u>1,689,557</u>	<u>1,525,635</u>	<u>1,432,350</u>	<u>1,435,116</u>	<u>1,463,246</u>	<u>1,849,287</u>
Total District Program Revenues	<u>\$ 12,733,163</u>	<u>\$ 12,779,459</u>	<u>\$ 11,259,389</u>	<u>\$ 13,271,040</u>	<u>\$ 10,010,575</u>	<u>\$ 12,453,296</u>	<u>\$ 13,032,651</u>	<u>\$ 12,423,069</u>	<u>\$ 20,229,538</u>	<u>\$ 23,490,107</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (53,286,289)	\$ (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)
Business-Type Activities	(43,110)	(155,161)	(73,060)	150,836	19,400	(122,330)	(125,209)	(57,435)	(20,531)	61,043
Total District-Wide Net Expense	<u>\$ (53,329,399)</u>	<u>\$ (56,150,732)</u>	<u>\$ (56,174,762)</u>	<u>\$ (55,538,294)</u>	<u>\$ (57,597,894)</u>	<u>\$ (55,108,353)</u>	<u>\$ (57,782,455)</u>	<u>\$ (60,397,544)</u>	<u>\$ (60,727,985)</u>	<u>\$ (62,870,543)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Property Taxes Levied For General Purposes, Net	\$ 48,971,356	\$ 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
Taxes Levied For Debt Service	2,262,837	2,286,017	2,291,353	2,269,044	2,452,623	2,465,751	2,476,947	2,450,941	2,406,906	2,471,421
State Sources	1,653,762	1,780,288	1,073,795	981,529	480,933	457,961	475,930	491,611	496,096	497,916
Investment Earnings	237,007	145,213	26,700	10,293	12,160	461	845	-	-	-
Miscellaneous Income	80,839	125,798	57,208	138,252	71,500	230,558	207,543	163,987	75,880	363,208
Total Governmental Activities	<u>53,205,801</u>	<u>54,551,436</u>	<u>55,671,741</u>	<u>57,710,710</u>	<u>58,734,565</u>	<u>60,308,800</u>	<u>61,457,956</u>	<u>61,685,072</u>	<u>62,728,986</u>	<u>64,277,651</u>
<b>Business-Type Activities:</b>										
Investment Earnings	\$ 7,120	\$ 10,586	\$ 2,075	\$ 839	\$ 986	\$ 33	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>7,120</u>	<u>10,586</u>	<u>2,075</u>	<u>839</u>	<u>986</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 53,212,921</u>	<u>\$ 54,562,022</u>	<u>\$ 55,673,816</u>	<u>\$ 57,711,549</u>	<u>\$ 58,735,551</u>	<u>\$ 60,308,833</u>	<u>\$ 61,457,956</u>	<u>\$ 61,685,072</u>	<u>\$ 62,728,986</u>	<u>\$ 64,277,651</u>
<b>Change in Net Position</b>										
Governmental Activities	(80,488)	(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
Business-Type Activities	(35,990)	(144,575)	(70,985)	151,675	20,386	(122,297)	(125,209)	(57,435)	(20,531)	61,043
Total District	<u>\$ (116,478)</u>	<u>\$ (1,588,710)</u>	<u>\$ (500,946)</u>	<u>\$ 2,173,255</u>	<u>\$ 1,137,657</u>	<u>\$ 5,200,480</u>	<u>\$ 3,675,501</u>	<u>\$ 1,287,528</u>	<u>\$ 2,001,001</u>	<u>\$ 1,407,108</u>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 2,621,663	\$ 983,531	\$ 151,629	\$ 715,926						
Unreserved	1,672,302	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
Committed					522,240					473,561
Assigned					1,547,986	1,735,441	420,888	481,259	380,336	250,573
Unassigned					965,959	742,020	639,060	777,632	756,726	838,479
<b>Total General Fund</b>	<b>\$ 4,293,965</b>	<b>\$ 2,684,650</b>	<b>\$ 1,365,808</b>	<b>\$ 3,040,129</b>	<b>\$ 4,539,733</b>	<b>\$ 6,291,000</b>	<b>\$ 7,337,395</b>	<b>\$ 6,840,015</b>	<b>\$ 5,914,238</b>	<b>\$ 5,912,218</b>
All Other Governmental Funds										
Reserved	\$ 10,000	\$ 431,880	\$ 31,876							
Unreserved	135,586	36,485	36,033	-	-	-	-	-	-	-
Restricted							\$ 57,096	\$ 614,029	\$ 230,621	\$ 1,618,425
Assigned							-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 145,586</b>	<b>\$ 468,365</b>	<b>\$ 67,909</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 57,096</b>	<b>\$ 614,029</b>	<b>\$ 230,621</b>	<b>\$ 1,618,425</b>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 51,234,193	\$ 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
Tuition Charges	143,093	60,200	41,026	95,669	133,908	113,705	247,878	348,355	411,303	411,075
Interest Earnings	237,007	145,213	26,700	10,293	12,160	461	845	-	-	-
Transportation	12,942	3,478	-	400	-	-	-	-	-	-
Rental Fees	20,833	17,227	12,245	12,190	19,695	12,153	16,005	20,300	25,552	44,570
Miscellaneous	97,328	125,798	57,208	138,252	542,601	236,891	236,497	164,451	95,127	386,498
State Sources	11,651,037	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
Federal Sources	1,038,831	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
<b>Total Revenue</b>	<b>64,435,264</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>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	25,742,786	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
Special Education Instruction	8,620,877	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
Vocational Education - Tuition	556,092	666,453	567,760	461,999	559,918	527,268	647,315	654,740	600,106	590,722
Other Instruction	954,631	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
School Sponsored Activities and Athletics	1,304,281	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
<b>Support Services:</b>										
Student and Instruction Related Services	6,473,073	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
General Administration	1,488,145	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
School Administration	3,422,397	3,589,982	3,548,513	3,689,329	4,149,223	3,976,702	3,764,603	3,911,335	4,158,822	4,193,626
Plant Operations and Maintenance	6,466,276	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
Student Transportation	4,342,910	4,533,412	4,588,496	4,596,486	4,478,553	4,180,808	4,871,035	4,788,364	4,616,572	4,647,740
Business/Central and Other Support Services	1,834,035	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
Charter Schools	24,676	9,939	-	22,291	24,208	35,105	-	-	-	-
Capital Outlay	927,138	1,149,524	974,519	268,419	146,712	1,776,062	1,299,310	913,464	2,894,328	310,619
<b>Debt Service:</b>										
Principal	1,624,003	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
Interest and Other Charges	1,776,609	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
Bond Issuance Costs	125,011	-	-	-	-	-	-	-	188,580	-
Payments to Escrow Agent	99,775	-	-	-	-	-	-	-	387,316	-
<b>Total Expenditures</b>	<b>65,782,715</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>Excess (Deficiency) of Revenues</b>										
<b>Over (Under) Expenditures</b>	<b>(1,347,451)</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>



**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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)			\$ 487,752	\$ 159,196				\$ 440,628	\$ 205,364	\$ 337,000
Proceeds From Refunding	\$ 10,000,000						\$ 3,790,000	-	17,515,000	
Payments To Escrow Agent	(9,840,000)						(3,704,682)	-	(19,335,000)	
Original Issue Premiums	64,786								2,395,896	
Lease Purchase Proceeds		\$ 1,410,000								
Transfers In		13,503	1,633	31,876		\$ 834,347	-	592,789	826,800	1,434,780
Transfers Out		(13,503)	(1,633)	(31,876)		(834,347)	-	(592,789)	(826,800)	(1,434,780)
<b>Total Other Financing Sources (Uses)</b>	<u>224,786</u>	<u>1,410,000</u>	<u>487,752</u>	<u>159,196</u>	<u>-</u>	<u>-</u>	<u>85,318</u>	<u>440,628</u>	<u>781,260</u>	<u>337,000</u>
<b>Net Change in Fund Balances</b>	<u>\$ (1,122,665)</u>	<u>\$ (1,286,536)</u>	<u>\$ (1,708,801)</u>	<u>\$ 1,606,412</u>	<u>\$ 1,499,604</u>	<u>\$ 1,751,267</u>	<u>\$ 1,103,491</u>	<u>\$ 59,553</u>	<u>\$ (1,309,185)</u>	<u>\$ 1,385,784</u>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	5.24%	5.05%	5.58%	5.53%	5.69%	5.48%	5.18%	4.68%	4.56%	4.50%

\* 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)**

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Reimbursements</u></b>	<b><u>Interest on Investments</u></b>	<b><u>Transportation</u></b>	<b><u>Rentals</u></b>	<b><u>Insurance Proceeds</u></b>	<b><u>Grant Proceeds for Prior Year Capital Projects</u></b>	<b><u>Miscellaneous</u></b>	<b><u>E-Rate</u></b>	<b><u>Total</u></b>
2007	\$143,093		\$ 237,007	\$ 12,942	\$ 20,833			\$ 97,328		\$ 511,203
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		\$ 153,536	54,007		472,271
2014	348,355				20,300			163,987		532,642
2015	411,303				25,552			75,880		512,735
2016	411,075	\$ 77,647			44,570	174,767		61,004	\$ 49,790	818,853

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.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2007	\$ 115,329,600	\$ 2,886,261,800	\$ 32,326,300	\$ 956,400	\$ 611,685,500	\$ 149,710,800	\$ 27,390,400	\$ 3,823,660,800	\$ 4,728,814	\$ 3,828,389,614	\$ 6,171,155,753	\$ 1.355
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	NOT AVAILABLE	1.080

Source: County Abstract of Ratables

<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>
2007	\$ 2.335	\$ 1.355	\$ 0.489	\$ 0.440	\$ 0.051
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

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	2016		Taxpayer	2007	
	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%	Wall Herald Corporation	\$ 37,123,500	1.005%
Mack Cali Corp. Mack Cali Realty Corp.	43,300,200	1.160%	Commercial Realty & Resources Corp.	29,540,200	0.799%
Horizon Blue Cross Blue Shield	39,962,900	1.070%	Horizon Blue Cross	19,621,700	0.531%
State St Bank C/o NJNG John Leshak	36,142,900	0.968%	Levcom Wall Plaza	18,304,400	0.495%
Sea Girt LP C/o Sher Partners	25,258,900	0.676%	State St. Bank C/O NJNG	17,600,000	0.476%
What's Your Racquet, Inc.	25,199,000	0.675%	What's your racquet	15,923,400	0.431%
NP Wall Towne Center	21,453,200	0.575%	Oakshire Group	14,976,600	0.405%
Levicom Wall Plaza Assoc.	19,750,000	0.529%	TKG Management	14,650,700	0.397%
1330 Campus Parkway, LLC	16,655,700	0.446%	Resident	13,923,300	0.377%
Spring Lake Gardens, Inc.	15,243,700	0.408%	NJ NI Industrial LLC	13,900,000	0.376%
	<u>\$ 287,778,200</u>	<u>7.707%</u>		<u>\$ 195,563,800</u>	<u>5.292%</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	
2007	\$ 51,234,193	\$ 51,234,193	100.00%	
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%	

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>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases/Lease Purchase Agreements</u>			
2007	\$ 39,305,000	\$ 341,069	\$ 39,646,069	26,242	\$ 1,511
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	26,055 Est.	791

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,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2007	\$ 39,305,000		\$ 39,305,000	0.64%	\$ 1,498
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	NOT AVAILABLE	767

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, 2015  
(Unaudited)**

	<u>Net Debt</u>
Municipal Debt: (1)	
Wall Township Board of Education (as of June 30, 2016)	\$ 19,985,000
Township of Wall	<u>36,345,987</u>
	<u>56,330,987</u>
Overlapping Debt Apportioned to the Municipality:	
Monmouth County:	
County of Monmouth(A)	<u>21,605,113</u>
	<u>21,605,113</u>
Total Direct and Overlapping Debt	<u>\$ 77,936,100</u>

## Source:

(1) Township's 2015 Annual Debt Statement

(A) The debt for this entity was apportioned to the Township by dividing the municipality's 2015 equalized value by the total 2015 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 2016**

Equalized Valuation Basis

2015	\$ 5,708,641,355
2014	5,609,047,098
2013	5,435,289,864
	<u>\$ 16,752,978,317</u>

Average Equalized Valuation Of Taxable Property

\$ 5,584,326,106

Debt Limit (4 % of Average Equalization Value)

223,373,044

Total Net Debt Applicable to Limit

19,985,000

Legal Debt Margin

\$ 203,388,044

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 188,582,817	\$ 242,459,320	\$ 259,449,192	\$267,480,885	\$ 260,484,556	\$ 254,181,622	\$ 223,373,044	\$ 230,438,397	\$ 223,407,044	\$ 223,373,044
Total Net Debt Applicable To Limit	34,205,000	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
Legal Debt Margin	<u>\$ 154,377,817</u>	<u>\$ 214,494,320</u>	<u>\$ 227,999,192</u>	<u>\$237,515,885</u>	<u>\$ 232,079,556</u>	<u>\$ 227,421,622</u>	<u>\$ 198,338,044</u>	<u>\$ 207,208,397</u>	<u>\$ 203,897,044</u>	<u>\$ 203,388,044</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.14%	11.53%	12.12%	11.20%	10.90%	10.53%	11.21%	10.08%	8.73%	8.95%

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>
2007	26,242	\$ 58,622	2.70%
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	66,019 (E)	5.37%
2016	26,055 (E)	N/A	4.90%

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>2016</u>		<u>2007</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>2007</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>
<b>Instruction</b>										
Regular	446	446	453	453	394	258	256.5	260.0	275.0	274.1
Special Education					1	73	90.0	145.5	161.0	156.3
Other Special Education						52	53.0	-		
Other Instruction						158	158.0	157.0	155.0	164.0
<b>Support Services:</b>										
Student and Instruction Related Services	129	129	128	75	76	87	90.0	91.5	104.5	98.8
General Administration	7	7	7	7	6	4	4.0	4.0	6.0	6.0
School Administrative Services	12	12	11	11	10	31	31.0	30.0	30.0	30.0
Other Administrative Services	18	18	19	19	9					
Central Services	12	12	9	9	9	9	8.0	8.0	7.0	7.0
Administrative Information Technology	7	7	6	6	5	5	6.0	5.0	6.0	6.0
Plant Operations And Maintenance	60	60	60	113	87	87	86.5	88.0	99.0	103.9
Pupil Transportation	78	78	78	78	87	66	66.9	66.0	67.6	66.1
<b>Total</b>	<u>769</u>	<u>769</u>	<u>771</u>	<u>771</u>	<u>684</u>	<u>829</u>	<u>849.9</u>	<u>855.0</u>	<u>911.1</u>	<u>912.2</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				
2007	4,380.5	\$ 60,015,923	\$ 13,701	7.35%	402.00	1:10.6	1:11.8	1:11.3	4,463.7	4,081.1	1.10%	91.43%
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	1:12.2	4,243.4	4,066.2	-1.27%	95.82%
2011	4,112.0	61,689,217	15,002	0.36%	365.00	1:11.2	1:11.4	1:11.8	4,066.5	3,872.5	-4.17%	95.23%
2012	3,956.0	67,324,895	17,018	13.44%	382.00	1:11.2	1:12.5	1:12.6	3,936.9	3,767.1	-3.19%	95.69%
2013	3,820.5	67,310,213	17,618	3.52%	384.59	1:09.3	1:09.6	1:11.1	3,849.0	3,676.0	-2.23%	95.51%
2014	3,715.5	68,767,123	18,508	5.05%	402.29	1:08.4	1:09.3	1:09.3	3,629.0	3,508.0	-5.72%	96.67%
2015	3,648.5	70,641,086	19,362	4.61%	400.00	1:08.9	1:09.0	1:08.8	3,572.0	3,454.0	-1.57%	96.70%
2016	3,606.0	72,578,498	20,127	3.95%	400.00	1:08.9	1:08.8	1:09.3	3,588.1	3,475.0	0.45%	96.85%

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
<b>Allenwood</b>										
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	482	485	466	436	409	401	387	359	348	348
<b>Central</b>										
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	640	624	618	608	558	533	495	506	507	504
<b>Old Mill</b>										
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	505	504	507	490	485	456	434	434	420	402
<b>West Belmar</b>										
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	214	213	231	216	214	232	221	212	199	203
<b><u>Middle School</u></b>										
<b>Intermediate</b>										
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	1,081	1,030	1,005	1,055	1,045	1,038	990	940	921	887
<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	1,323	1,355	1,389	1,371	1,318	1,224	1,220	1,197	1,184	1,190
<b><u>Primary</u></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	75	81	70	70	47	48	50	36	50	55

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Other</u>										
Superintendent's Building										
Square Feet - 2,880										
Business Office										
Square Feet - 5,760										
Technology Building										
Square Feet - 1,069										
Tech. Storage Barn										
Square Feet - 1,296										
Maintenance Building										
Square Feet - 4,756										
Red Storage Barn										
Square Feet - 960										
Special Service Bldg. 1										
Square Feet - 2,000										
Special Service Bldg. 2										
Square Feet - 1,104										
District Storage Bldg.										
Square Feet - 5,000										
Garage Apt.										
Square Feet - 2,030										
18th Ave. Field										
Square feet - 1,800										
Number of Schools at June 30, 2016										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 1										

Source: District Records



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

	<u>Project # (s)</u>	<u>2007</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>
<b>School Facilities</b>											
Wall High School	050	\$ 147,906	\$ 135,012	\$ 161,647	\$ 118,926	\$ 174,714	\$ 665,666	\$ 222,767	\$ 147,150	\$ 77,780	\$ 102,842
Allenwood School	060	53,296	27,553	57,719	52,364	38,650	42,581	16,597	60,219	35,542	35,969
Central Elementary	070	61,433	67,408	84,721	29,529	45,986	62,692	27,239	59,643	48,246	49,712
Wall Intermediate	075	73,792	66,991	150,904	125,729	71,190	114,269	28,520	82,433	89,364	45,122
Old Mill	077	40,524	31,661	39,811	38,841	54,720	39,695	25,210	54,979	47,601	39,956
Primary	078	16,004	16,905	20,717	8,981	22,545	20,040	1,374	28,113	28,745	16,272
West Belmar	080	35,029	3,675	34,029	33,555	34,623	31,764	20,897	59,345	31,011	31,551
Total School Facilities		<u>\$ 427,984</u>	<u>\$ 349,205</u>	<u>\$ 549,548</u>	<u>\$ 407,925</u>	<u>\$ 442,428</u>	<u>\$ 976,707</u>	<u>\$ 342,604</u>	<u>\$ 491,882</u>	<u>\$ 358,289</u>	<u>\$ 321,424</u>

Source: District Records

**WALL TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy</b>		
<b>School Excess Liability Joint Insurance Fund</b>		
Property Blanket Bldg. & Contents	\$ 108,136,704	\$ 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

**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  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of 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, 2016 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 3, 2016.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Wall Township Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Wall Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wall Township Board of Education's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Wall Township Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Wall Township Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 3, 2016.

### **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*

Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
November 3, 2016





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, CPA

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

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of 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 the Wall Township Board of Education's major federal and state programs for the fiscal year ended June 30, 2016. 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 (CFR) 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, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. Our opinion on each major state program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the 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, 2016 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 3, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Lerch, Vinci & Higgins, LLP*

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

*[Signature]*

Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
November 3, 2016



WALL TOWNSHIP BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Cash Received	Adjustment- Carryover Receivable	Adjustment- Carryover Deferred Revenue	Budgetary Expenditures	Adjustments	Balance, June 30, 2016			Memo GAAP Receivable
												(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<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	S010A150030	NCLB5420-16	7/1/15-6/30/16	\$ 269,198		\$ 107,934	\$ (37,504)	\$ 37,504	\$ 206,042		\$ (198,768)	\$ 100,660		\$ (98,108)
NCLB Title I	84.010A		NCLB5420-15	7/1/14-6/30/15	250,021	\$ (10,680)	10,680	37,504	(37,504)	-					
NCLB Title I	84.010A		NCLB5420-13	9/1/12-8/31/13	164,764	5,443					\$ (5,443)				
NCLB Title IIA	84.367	S367A150029	NCLB5420-16	7/1/15-6/30/16	38,956		33,250	(5,130)	5,130	41,241		(10,836)	2,845		(7,991)
NCLB Title IIA	84.367		NCLB5420-15	7/1/14-6/30/15	41,545	(32,760)	32,760	5,130	(5,130)						
NCLB Title III	84.365	S365A150030	NCLB5420-16	7/1/15-6/30/16	15,775		5,973	(14,698)	14,698	16,776		(24,500)	13,697		(10,803)
NCLB Title III	84.365		NCLB5420-15	7/1/14-6/30/15	18,153	(1,805)	1,805	14,698	(14,698)						
IDEA Part B Basic	84.027	H027A150100	IDEA542016	7/1/15-6/30/16	890,803		537,170	(6,027)	6,027	849,727		(359,660)	47,103		(312,557)
IDEA Part B Basic	84.027		IDEA542015	7/1/14-6/30/15	874,910	(129,673)	140,921	6,027	(6,027)		(887)		10,361		10,361
IDEA Part B, Preschool	84.173	H173A150114	IDEA542016	7/1/15-6/30/16	49,659		32,370	(779)	779	46,467		(18,068)	3,971		(14,097)
IDEA Part B, Preschool	84.173		IDEA542015	7/1/14-6/30/15	48,912	(17,875)	17,875	779	(779)						
Special Education IDEA Cluster						(147,348)	728,336	-	-	896,194	(887)	(377,728)	61,435		(316,293)
Race to the Top	84.413A	B413A120008	N/A	9/1/11-11/30/15	22,765	(826)	826	-	-	-	-	-	-		-
Total Special Revenue Fund						(188,176)	921,564	-	-	1,160,253	(6,330)	(611,832)	178,637		(433,195)
<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	1616NJ304N1099	N/A	7/1/15-6/30/16	51,611		51,611			51,611					
National School Lunch Program (Cash Assistance)	10.555	1616NJ304N1099	N/A	7/1/15-6/30/16	198,840		183,396			198,840		(15,444)			(15,444)
National School Lunch Program (Cash Assistance)	10.555		N/A	7/1/14-6/30/15	187,007	(15,557)	15,557								
School Breakfast Program	10.553	1616NJ304N1099	N/A	7/1/15-6/30/16	13,424		12,318			13,424		(1,106)			(1,106)
School Breakfast Program	10.553		N/A	7/1/14-6/30/15	11,991	(1,129)	1,129								
Total National School Lunch Program Cluster						(16,686)	264,011	-	-	263,875	-	(16,550)	-		(16,550)
<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 (SEMI)	93.778	1605NJ5MAP	N/A	7/1/15-6/30/16	68,306		44,980			68,306		(23,326)			(23,326)
Medical Assistance Program (SEMI)	93.778		N/A	7/1/14-6/30/15	92,601	(14,643)	14,643								
Medical Assistance - FY14 Cost Settlement	93.778	1605NJ5MAP	N/A	7/1/13-6/30/14	11,952					11,952		(11,952)			(11,952)
Total Medical Assistance Program (SEMI) Cluster						(14,643)	59,623	-	-	80,258	-	(35,278)	-		(35,278)
<b>U.S. Environmental Protection Agency</b>															
<b>General Fund:</b>															
National Clean Diesel Rebate Program	66.039	N/A	N/A	1/1/15-12/31/15	80,000					80,000		(80,000)			(80,000)
										80,000		(80,000)			(80,000)
Total General Fund						(14,643)	59,623	-	-	160,258	-	(115,278)	-		(115,278)
Total Federal Financial Awards						\$ (219,505)	\$ 1,245,198	\$ -	\$ -	\$ 1,584,386	\$ (6,330)	\$ (743,660)	\$ 178,637	\$ -	\$ (565,023)

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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, 2016

Federal/Grantor/Pass-Through/Grantor/ State/Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Cash Received	Budgetary Expenditures	Returned to Grantor	Adjustment Prior Year Orders	Balance, June 30, 2016		MEMO Cumulative Total Expenditures
									(Accounts Receivable)	Due to Grantor	
<b>State Department of Education</b>											
General Fund:											
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	\$ 733,177	\$ (70,227)	\$ 663,731	\$ 733,177		\$ (69,446)		\$	733,177
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	21,622	25,992	70,227	21,622		(21,622)			21,622
Nonpublic Transportation Aid	02103190	7/1/15-6/30/16	25,992	(25,992)	25,992						
Nonpublic Transportation Aid	02103190	7/1/14-6/30/15		(96,219)	258,950	754,799				(91,068)	754,799
Total Transportation Aid Cluster											
Special Education Categorical Aid	16-495-034-5120-014	7/1/15-6/30/16	2,404,489	(230,312)	2,176,736	2,404,489		(227,753)			2,404,489
Special Education Categorical Aid	15-495-034-5120-014	7/1/14-6/30/15	2,404,489	230,312	2,404,489	2,404,489					2,404,489
Security Aid	16-495-034-5120-089	7/1/15-6/30/16	342,338	(32,793)	299,589	342,338		(32,426)			342,338
Security Aid	15-495-034-5120-089	7/1/14-6/30/15	342,338	32,793	342,338	342,338					342,338
Adjustment Aid	16-495-034-5120-088	7/1/15-6/30/16	15,712	(1,504)	14,224	15,712		(1,488)			15,712
Adjustment Aid	15-495-034-5120-088	7/1/14-6/30/15	15,712	1,504	14,224	15,712					15,712
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	35,095	(3,362)	31,771	35,095		(3,324)			35,095
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	35,095	3,362	31,771	35,095					35,095
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	35,095	(3,362)	31,771	35,095		(3,324)			35,095
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	35,095	3,362	31,771	35,095					35,095
Total State Aid - Public - Cluster											
State Aid - Public - Cluster											
Extraordinary Aid	16-100-034-5120-473	7/1/15-6/30/16	225,798	-	225,798	225,798		(225,798)			225,798
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	203,396	(203,396)	203,396						
On Behalf TPAF Pension System Contribution	16-495-034-5094-006	7/1/15-6/30/16	2,157,180	-	2,157,180	2,157,180					2,157,180
On Behalf TPAF Pension System Contribution	16-495-034-5094-007	7/1/15-6/30/16	107,457	-	107,457	107,457					107,457
Non-Contributory Ins.											
On Behalf TPAF Pension System Contribution	16-100-034-5094-001	7/1/15-6/30/16	2,696,558	-	2,696,558	2,696,558					2,696,558
Post Retirement Medical	16-495-034-5094-003	7/1/15-6/30/16	2,160,369	-	2,024,776	2,160,369		(105,593)		(105,593)	2,130,369
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	7/1/14-6/30/15	2,143,687	(105,912)	105,912						
Reimbursed TPAF Social Security Contributions											
Total General Fund											
Total General Fund											
Special Revenue Fund:											
New Jersey Nonpublic Aid	16-100-034-5120-070	7/1/15-6/30/16	15,730	1,458	15,730	13,233			\$ 2,517		13,233
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	17,737	4,706	4,706	4,631					4,631
Nursing Services	16-100-034-5120-373	7/1/15-6/30/16	4,706	78	4,706	78					4,784
Technology	15-100-034-5120-373	7/1/14-6/30/15	6,624	78	6,624	78					6,702
Technology	16-100-034-5120-064	7/1/15-6/30/16	10,336	1,193	10,336	9,645			691		9,645
Textbooks	15-100-034-5120-064	7/1/14-6/30/15	12,334	1,193	12,334	1,110					1,110
Textbooks	16-100-034-5120-064	7/1/15-6/30/16	4,525		4,525	438			4,087		438
Security	16-100-034-5120-509	7/1/15-6/30/16									
Auxiliary Services (Chap. 193)	16-100-034-5120-067	7/1/15-6/30/16	6,768	896	6,768	4,230			2,538		4,230
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	8,062	896	8,062	896					8,958
Compensatory Education	16-100-034-5120-068	7/1/15-6/30/16	5,950		5,950	5,950					5,950
Transportation											
Auxiliary Services - Cluster											
Auxiliary Services - Cluster											
Handicapped Services (Chap. 193)	16-100-034-5120-066	7/1/15-6/30/16	4,602		4,602	3,410			1,192		3,410
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	6,307	1,083	6,307	1,083					7,390
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	15,049	3,594	15,049	14,213			836		14,213
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	9,719		9,719	3,594					3,594
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	3,119	1,569	3,119	3,119					3,119
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	4,708	6,186	22,770	20,742			2,028		20,742
Handicapped Services - Cluster											
Handicapped Services - Cluster											
Total Special Revenue Fund											
Total Special Revenue Fund											
Capital Projects Fund											
Capital Projects Fund											
Front Entrance Modification- Primary	5420-078-14-1030-004	7/1/15-6/30/15	6,000	(5,666)						(5,666)	5,666
Front Entrance Modification- Primary	5420-080-14-1038-004	7/1/15-6/30/15	15,000	(13,314)						(14,834)	13,314
Front Entrance Modification- West Behar	5420-077-14-1029-004	7/1/15-6/30/15	30,000	(19,769)						(26,868)	19,768
Front Entrance Modification- Old Mill	5420-070-14-1020-004	7/1/15-6/30/15	30,000	(18,214)						(27,135)	18,214
Front Entrance Modification- Central	5420-060-14-1014-004	7/1/15-6/30/15	41,500	(28,993)						(36,094)	28,993
Front Entrance Modification- Allenwood	5420-075-14-1021-004	7/1/15-6/30/15	37,600	(24,077)						(33,345)	24,077
Front Entrance Modification- Wall Intermediate	5420-050-14-1009-004	7/1/15-6/30/15	30,000	(26,118)						(29,935)	26,118
Front Entrance Modification- High School	5420-080-14-1006-004	7/1/15-6/30/15	95,600	(56,642)						(77,842)	56,642
HVAC- West Behar	5420-078-14-1004-004	7/1/15-6/30/15	81,920	(25,400)						(26,400)	25,400
Emergency Generators- Primary	5420-080-14-1005-004	7/1/15-6/30/15	81,920	(32,953)						(35,153)	32,953
Emergency Generators- West Behar	5420-077-14-1003-004	7/1/15-6/30/15	81,920	(34,153)						(35,153)	34,153
Emergency Generators- Central	5420-077-14-1003-004	7/1/15-6/30/15	81,920	(27,600)						(27,600)	27,600
Emergency Generators- Old Mill	5420-070-14-1002-004	7/1/15-6/30/15	81,920	(34,154)						(39,153)	34,154
Emergency Generators- Allenwood	5420-060-14-1001-004	7/1/15-6/30/15	81,920								81,920

The Notes to the Schedules of Federal Awards and State Financial Assistances 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, 2016

Federal/Grantor/Pass-Through Grantor/ State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2015	Cash Received	Budgetary Expenditures	Returned to Grantor	Adjustment Prior Year Orders	Balance, June 30, 2016			GAAP Accounts Receivable	Cumulative Total Expenditures
									(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Security Upgrades- Primary	5420-078-14-1031-G04	7/1/14-6/30/15	\$ 34,000	\$ (11,590)		\$ 955			\$ (13,600)	\$ 1,255	\$	(13,600)	\$ 12,345
Security Upgrades- Allenwood	5420-060-14-1015-G04	7/1/14-6/30/15	78,000	(28,753)		1,797			(31,200)	650		(31,200)	30,550
Security Upgrades- Central	5420-070-14-1016-G04	7/1/14-6/30/15	88,000	(32,310)		2,013			(35,200)	877		(35,200)	34,323
Security Upgrades- Old Mill	5420-077-14-1026-G04	7/1/14-6/30/15	71,000	(25,836)		1,654			(28,400)	910		(28,400)	27,490
Security Upgrades- West Belmar	5420-080-14-1035-G04	7/1/14-6/30/15	87,000	(32,034)		1,977			(34,800)	789		(34,800)	34,011
Security Upgrades-Wall Intermediate	5420-075-14-1025-G04	7/1/14-6/30/15	126,000	(46,632)		3,287			(50,400)	481		(50,400)	49,919
Security Upgrades- High School	5420-050-14-1007-G04	7/1/14-6/30/15	160,000	(60,446)		3,426			(64,000)	128		(64,000)	63,872
Roof Replacement-Primary	5420-078-14-1032-G04	7/1/14-6/30/15	200,000	(62,402)		4,232			(80,000)	13,366		(80,000)	66,634
Roof Replacement-Allenwood	5420-060-14-1013-G04	7/1/14-6/30/15	75,000	(22,467)		3,155			(30,000)	4,378		(30,000)	25,622
Roof Replacement-Central	5420-070-14-1018-G04	7/1/14-6/30/15	390,000	(73,523)		8,794			(156,000)	73,683		(156,000)	82,317
Roof Replacement-West Belmar	5420-080-14-1039-G04	7/1/14-6/30/15	69,000	(23,207)		1,503			(27,600)	2,890		(27,600)	24,710
Phone System- Primary	5420-078-14-1033-G04	7/1/15-6/30/16				2,520			(2,520)	2,520		(2,520)	-
Phone System- Allenwood	5420-060-14-1011-G04	7/1/15-6/30/16				17,600			(17,600)	17,600		(17,600)	-
Phone System- Central	5420-070-14-1017-G04	7/1/15-6/30/16				19,600			(19,600)	19,600		(19,600)	-
Phone System- Old Mill	5420-077-14-1040-G04	7/1/15-6/30/16				19,800			(19,800)	19,800		(19,800)	-
Phone System- West Belmar	5420-080-14-1034-G04	7/1/15-6/30/16				14,000			(14,000)	14,000		(14,000)	-
Phone System-Wall Intermediate	5420-075-14-1024-G04	7/1/15-6/30/16				44,000			(44,000)	44,000		(44,000)	-
Phone System- High School	5420-050-14-1010-G04	7/1/15-6/30/16				65,800			(65,800)	65,800		(65,800)	-
Public Address System- Allenwood	5420-060-14-1012-G04	7/1/15-6/30/16				75,200			(75,200)	75,200		(75,200)	-
Public Address System- Central	5420-070-14-1019-G04	7/1/15-6/30/16				84,000			(84,000)	84,000		(84,000)	-
Public Address- Old Mill	5420-077-14-1028-G04	7/1/15-6/30/16				84,000			(84,000)	84,000		(84,000)	-
Public Address System- West Belmar	5420-080-14-1036-G04	7/1/15-6/30/16				60,000			(60,000)	60,000		(60,000)	-
Public Address System-Wall Intermediate	5420-075-14-1023-G04	7/1/15-6/30/16				189,200			(189,200)	189,200		(189,200)	-
Public Address System- High School	5420-050-14-1008-G04	7/1/15-6/30/16				280,800			(280,800)	280,800		(280,800)	-
<b>Total Capital Projects Fund</b>				<b>(766,032)</b>		<b>32,793</b>			<b>(1,902,898)</b>	<b>1,104,073</b>		<b>(1,902,898)</b>	<b>798,825</b>
<b>Debt Service Fund</b>													
Debt Service Aid State Support	16-495-034-5120-075	7/1/15-6/30/16	803,647	-	\$ 803,647	803,647	-	-	-	-	-	-	803,647
<b>Total Debt Service Fund</b>					<b>803,647</b>	<b>803,647</b>							<b>803,647</b>
<b>State Department of Agriculture Enterprise Fund</b>													
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	7,612		6,978	7,612			(634)			(634)	7,612
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	7,716	(862)	862	-	-	-	-	-	-	-	-
<b>Total Enterprise Fund</b>				<b>(862)</b>	<b>7,840</b>	<b>7,612</b>			<b>(634)</b>			<b>(634)</b>	<b>7,612</b>
<b>Total State Financial Assistance</b>				<b>\$(1,433,943)</b>	<b>\$ 11,773,286</b>	<b>\$ 11,807,831</b>	<b>\$ 9,811</b>	<b>\$ 110</b>	<b>\$ (2,594,308)</b>	<b>\$ 1,104,073</b>	<b>\$ 12,046</b>	<b>\$ (2,030,747)</b>	<b>\$ 12,573,863</b>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>													
<b>General Fund:</b>													
On-Behalf TPAF Pension System Contribution					\$ (2,264,637)	\$ (2,264,637)							\$ (2,264,637)
On-Behalf TPAF Post-Retirement Med. Contrib.					(2,696,558)	(2,696,558)							(2,696,558)
<b>Total State Financial Assistance</b>				<b>\$(1,433,943)</b>	<b>\$ 6,812,091</b>	<b>\$ 6,846,636</b>	<b>\$ 9,811</b>	<b>\$ 110</b>	<b>\$ (2,594,308)</b>	<b>\$ 1,104,073</b>	<b>\$ 12,046</b>	<b>\$ (2,030,747)</b>	<b>\$ 7,612,668</b>

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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, 2016**

**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 schedules 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 2 CFR 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 \$18,605 for the general fund and an increase of \$7,829 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	\$ 160,258	\$ 10,886,305	\$ 11,046,563
Special Revenue Fund	1,160,253	58,979	1,219,232
Capital Projects Fund		32,793	32,793
Debt Service Fund		803,647	803,647
Food Service Fund	<u>263,875</u>	<u>7,612</u>	<u>271,487</u>
Total Financial Assistance	<u>\$ 1,584,386</u>	<u>\$ 11,789,336</u>	<u>\$ 13,373,722</u>

**WALL TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 \$2,130,369 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$2,264,637 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,696,558 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits 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, 2016**

*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?        yes   X   none reported

Noncompliance material to the basic financial statements noted?        yes   X   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:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<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>
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<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?   X   yes        no

**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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>495-034-5120-075</u>	<u>Debt Service Aid</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>495-034-5120-014</u>	<u>Transportation Aid</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, 2016**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.



**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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, 2016**

*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 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.

**State Program Information:**

Security Aid	495-034-5120-084
Special Education Aid	495-034-5120-089
Adjustment Aid	495-034-5120-085
Per Pupil Growth Aid	495-034-5120-097
PARCC Readiness Aid	495-034-5120-098

**Criteria or Specific Requirement:**

State Grant Compliance Supplement-State Aid-Public

**Condition:**

District workpapers and documentation provided did not support the student counts reported on the October 15, 2015 ASSA in certain instances.

**Questioned Costs:**

None.

**Context:**

See Finding 2016-001.

**Effect:**

Non compliance with the State Aid Public Compliance Supplement.

**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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 2016-001: (Continued)**

**Recommendation:**

Internal control procedures over the preparation of the Application for State School Aid (ASSA) in regards to reporting of low income students be reviewed and enhanced to ensure District workpapers and supporting documentation are in agreement with student counts reported on the ASSA.

**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, 2016**

*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 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.

**Information on the State Program:**

Transportation Aid.

**Criteria or specific requirement**

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

**Condition:**

See Finding 2016-002.

**Questioned Costs:**

Unknown.

**Context:**

In certain instances, transportation needs were not indicated as a special need in student's Individualized Educational Plan (IEP). A certain regular education student was improperly reported as Special Education. In addition, a certain student's IEP expired 6/30/2015, therefore, the special transportation need as of October 15, 2015 could not be verified.

**Effect**

Possible reduction in State aid.

**Cause:**

Unknown.

**WALL TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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 2016-002: (Continued)**

**Recommendation:**

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

**View of Responsible Officials and Planned Corrective Action:**

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

**WALL TOWNSHIP BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.