

WALLINGTON BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Wallington, New Jersey

**WALLINGTON BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9

FINANCIAL SECTION

Independent Auditors' Report	10
------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	14
--------------------------------------	----

Basic Financial Statements

A. District-Wide Financial Statements

A-1 Statement of Net Position	23
A-2 Statement of Activities	24

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statement of Activities	27

Proprietary Funds

B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses, and Changes in Net Position	29
B-6 Statement of Cash Flows	30

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	31
------------------------------------------	-----------

**WALLINGTON BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)

Pensions:

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees’ Retirement System	67
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees’ Retirement System	68
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	69
L-4	Notes to Required Supplementary Information – Net Pension Liability	70
OPEB:		
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	71
L-6	Notes to Required Supplementary Information – OPEB Liability	72

REQUIRED SUPPLEMENTARY INFORMATION - PART III

C. Budgetary Comparison Schedules

C-1	Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	73
C-2	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual – Special Revenue Fund	81
C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	82

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures - Special Revenue Fund – Budgetary Basis	83
E-2	Schedule of Preschool Education Aid Expenditures - Budgetary Basis – Not Applicable	N/A
E-3	Schedule of Receipts and Disbursements	N/A

**WALLINGTON BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
F. Capital Projects Fund – Not Applicable	
F-1 Summary Schedule of Project Expenditures	85
F-2 Summary Schedule of Project Expenditures and Changes in Fund Balance – Budgetary Basis	86
F-2a Schedule of Project Revenues, Expenditures, Project Balances and Project Status – 2022 Referendum – Various Improvements	87
G. Proprietary Funds – Not Applicable	
H. Fiduciary Funds – Not Applicable	
I. Long-Term Debt	
I-1 Schedule of Serial Bonds Payable	88
I-2 Schedule of Capital Leases Payable – Not Applicable	89
I-3 Debt Service Fund Budgetary Comparison Schedule	90
J. STATISTICAL SECTION (Unaudited)	
Financial Trends:	
J-1 Net Position by Component	91
J-2 Changes in Net Position	92
J-3 Fund Balances – Governmental Funds	93
J-4 Changes in Fund Balances - Governmental Funds	94
J-5 General Fund Other Local Revenue by Source	95
Revenue Capacity:	
J-6 Assessed Value and Actual Value of Taxable Property	96
J-7 Property Tax Rates - Direct and Overlapping Governments	97
J-8 Principal Property Taxpayers	98
J-9 Property Tax Levies and Collections	99
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	100
J-11 Ratios of Net General Bonded Debt Outstanding	101
J-12 Direct and Overlapping Governmental Activities Debt	102
J-13 Legal Debt Margin Information	103
Demographic and Economic Information:	
J-14 Demographic Statistics	104
J-15 Principal Employers	105
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	106
J-17 Operating Statistics	107
J-18 School Building Information	108
J-19 Schedule of Required Maintenance for School Facilities	109
J-20 Schedule of Insurance	110

**WALLINGTON BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

SINGLE AUDIT SECTION

K-1	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 Auditors’ Report	111
K-2	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 Auditors’ Report	113
K-3	Schedule of Expenditures of Federal Awards	116
K-4	Schedule of Expenditures of State Financial Assistance	117
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	118
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	120
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	123
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	124
K-7	Summary Schedule of Prior Year Findings and Questioned Costs	N/A

INTRODUCTORY SECTION

BOARD OF EDUCATION
Wallington, N.J. 07057

JODY PIETROWITZ
BUSINESS ADMINISTRATOR
BOARD SECRETARY

JEFFERSON SCHOOL
(973) 777-4151
Fax(973) 470-9073

January 2, 2024

President Maciag and
Members of the Wallington Board of Education
Wallington, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (the "ACFR") of the Wallington School District for the fiscal year ended June 30, 2023, 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 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 and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the financial statements and schedules, as well as the auditors' report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards (Uniform Guidance) and State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid."

Information related to these single audits, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:** The Wallington Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14, as amended. All funds of the District are included in this report. The Wallington Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, E.S.L., as well as special education for handicapped youngsters. The District's Oct. 15, 2022, state aid student count was 1169 students.

2. **ECONOMIC CONDITION AND OUTLOOK:** The Borough of Wallington is almost completely developed, and expansion is limited. There are, however, some businesses relocating to the area, resulting in moderate increases in the employment level, which results in an increase in this tax base, both residential and industrial. The Borough of Wallington will continue to prosper as its population cycle continues to evolve in a sequenced pattern.

3. **MAJOR INITIATIVES:**

A. The district is required to assess students in all grades 3-11 in language arts and in grades 3-8 in mathematics, as well as Algebra I, Algebra II, and Geometry. Students are assessed in Science in grades 6, 9, and 12. The NJSLA assessments, which measure college and career readiness, are now fully implemented. Through these assessments and our own local assessments, we are seeing improvement in moving students who were failing closer to the threshold of passing. QSAC audits have revealed that the area in greatest need of focus is mathematics in the middle and high school grades.

B. S.A.T. - The district has been focusing on the SAT scores. With the change to the format and testing of the SAT, the district will provide evening sessions for Juniors and Seniors to tutor them on the changes in the SAT. In addition, the PSAT has been purchased for every grade 10 and 11 students in the district in the hopes that every student will take this exam.

The results will be shared with language arts and math teachers so that they can infuse this instruction into their curriculum to assist our students with college and career readiness. We hope to expand testing for 9th-grade students in the 24-25 school year.

C. New Jersey Student Learning Standards (NJSLS) - These standards were previously known as the Common Core Curriculum Standards. Our courses of study in math, science, language arts, and visual & performing arts were all revised in accordance with the deadlines issued by the NJDOE. The district's "mapping" updates occur on a yearly basis and ensure alignment with the most current standards. The scope and sequence of instruction are correlated to the PARCC assessment. The maps are reviewed/revised yearly. The district has a director who assists the superintendent in analyzing and revising the curriculum. The curriculum will continue to be reviewed annually regarding the NJSLS and NJSLA, and revised accordingly. We are currently working with the South Bergen Jointure during the 23-24 school year to keep abreast with changes. Additionally, new NJSLS standards have been presented by the NJDOE, which will create new maps for the 24-25 school year.

D. Facilities - We continue to pursue a major initiative to relieve the pressure of enrollment growth at the grade 7-12 level. The district completed its seventh year renting the former Most Sacred Heart of Jesus School. All PK-2 students who previously were housed in the Jefferson School and adjacent modular units (4) have been moved to the Jefferson Annex School. This has allowed the district to house those students in one building as opposed to 3 structures on the same campus. However, we are already at capacity for that new structure, and serious consideration must be made on the construction of a new facility as our projections tell us that we will grow by another 100+ students in the next several years. The conversation has begun with the governing body for a more permanent solution, including new construction or additions to current facilities.

All students in our district have 1:1 capability, with students in grades 3-12 taking Chromebooks home each day. Our bandwidth was upgraded to allow for faster access with full multimedia capabilities, and Wifi has been added to all schools (www.wboe.org) is updated continuously with our School Wires website and will be maintained by the Technology Coordinator along with staff members in training. The website focuses on increased parental access. We now have a fully functioning parent portal that allows parents to

see their children's progress and become partners in educating their children.

Several other facility matters are in various stages of development. They are in the Long-Range Facilities Plan submitted to the Department of Education by Architect's Alliance. Most recently, there were two major upgrades to facilities: 1- An updated High School Roofing project and 2- HVAC System upgrade in the Gavlak School. Looking forward, the high school will receive security upgrades and new science labs.

E. Staffing - 7-12 enrollment continues to be higher on average than the other two schools, as our larger elementary population has now moved on to the upper grades. In addition, several special education aides have been added to our staff in the past. This will be monitored closely for necessary adjustments. Our special needs population has also increased both in and out of the district. We will continue to monitor our enrollment increases to adjust staffing where necessary.

4. INTERNAL CONTROL STRUCTURE: The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity accounting principles generally accepted in the United States of America (GAAP). The internal control structure 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 is also responsible for ensuring an adequate internal control structure 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 audits 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 that the District has complied with applicable laws and regulations.

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 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 re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assignments of fund balance at June 30, 2023.

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The district's accounting system is organized on the basis of funds. The accounting system utilized software was purchased from Edumet.

7. **DEBT ADMINISTRATION:** On June 30, 2023, the District's outstanding debt issues totalled \$2,067,000 in school bonds.

8. **CASH MANAGEMENT:** The District's investment policy is largely guided by state statute as detailed in "Notes to the Financial Statements." The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act ("GUDPA") provisions. GUDPA was enacted in 1970 to protect Governmental 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 their Act.

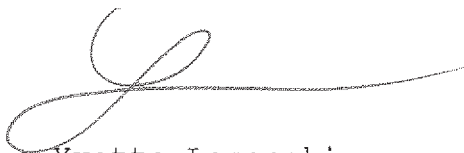
9. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard, and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

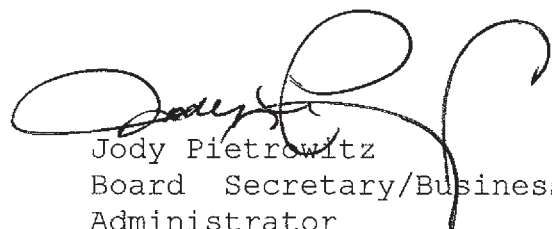
Independent Audit - State statutes require an annual audit by independent certified public accounts or registered municipal accountants. The accounting firm of PKF O'Connor Davies LLP has been appointed by the Board for our annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance) and State Treasury OMB Circular Letter 15-08. The auditors' report on the financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audits are included in the single audit section of this report.

11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Wallington School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district, 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.

Respectfully submitted,

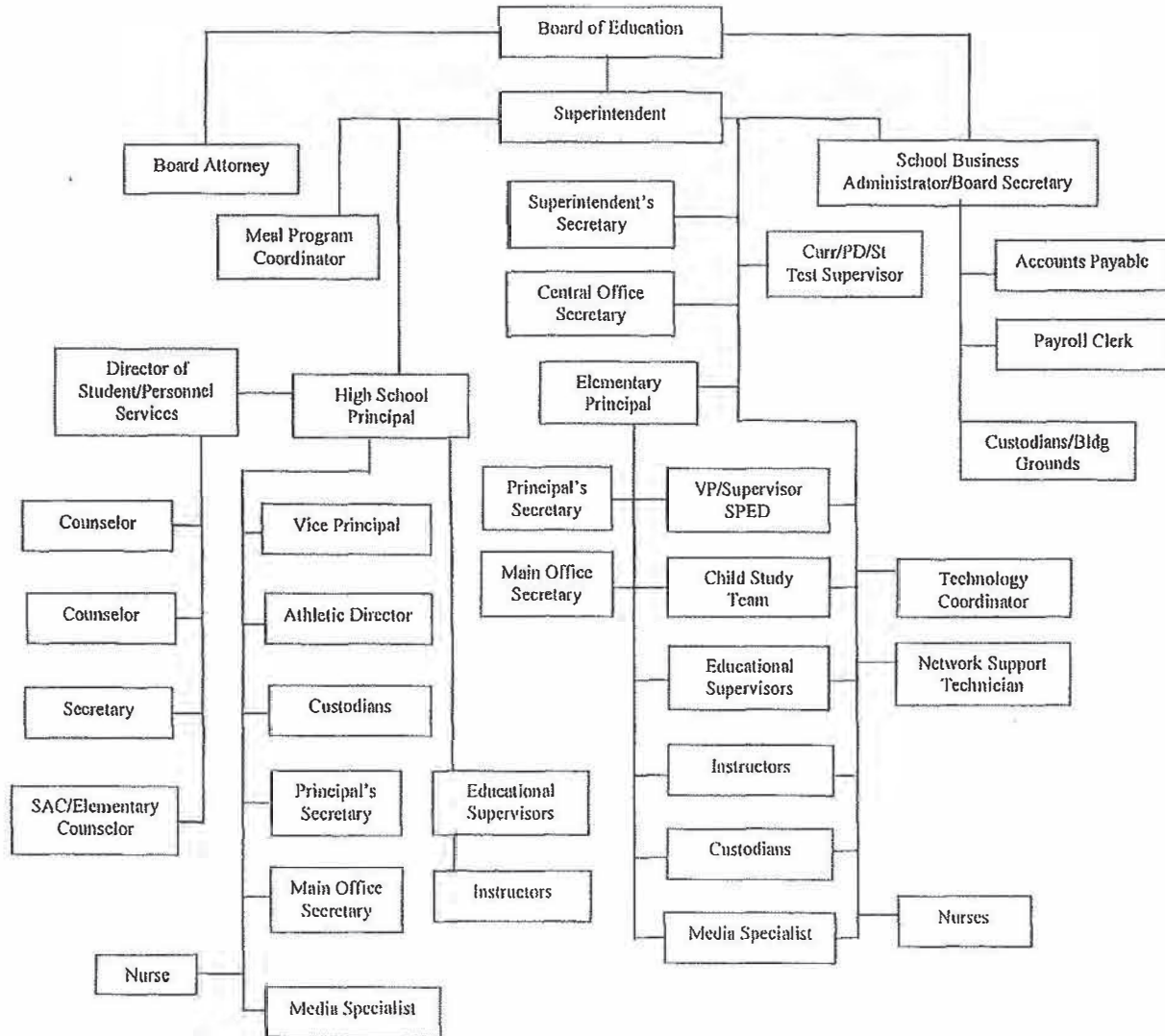


Yvette Lozanski
Superintendent of Schools



Jody Pietrowitz
Board Secretary/Business
Administrator

1110 ORGANIZATIONAL CHART



WALLINGTON BOARD OF EDUCATION
WALLINGTON, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2023

<u>Members of the Board of Education</u>	Term <u>Expires</u>
Nancy Maciag, President	2026
Tom Brynczka, Vice President	2026
Bobby Ristovski	2027
Theodora Calabrese	2027
Tim Hlavenka	2027
Joseph Smith	2026
John Sobczyk	2025
Tracey Kassteen	2025
Michael Labriola	2025

Other Officials

James Albro, Superintendent

Jody Pietrowitz, Board Secretary/School Business Administrator

Richard Cedzidlo, Esq., Solicitor

WALLINGTON BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

PKF O'Connor Davies, LLP
300 Tice Boulevard, Suite 315
Woodcliff Lake, NJ 07677

Architect

Architects Alliance
111 Mulberry Street
Newark, NJ 07102

DiCara Rubino
30 Galesi Drive
Wayne, NJ 07470

Attorney

Richard E. Cedzidlo Esq.
177 Paterson Avenue
Wallington, NJ 07057

Official Depository

TD Bank
71 Union Avenue
East Rutherford, NJ 07073

FINANCIAL SECTION



Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Wallington Board of Education
Wallington, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Wallington Board of Education (the "Board"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Board as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

PKF O'CONNOR DAVIES, LLP
300 Tice Blvd., Suite 315, Woodcliff Lake, NJ 07677 | Tel: 201.712.9800 | Fax: 201.712.0988 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

The Honorable President and Members
of the Board of Trustees
Wallington Board of Education

Page 2

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for 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 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 GAAS. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the 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.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report for the year ended June 30, 2023. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable President and Members
of the Board of Trustees
Wallington Board of Education

Page 4

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2024 on our consideration of the Board'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 2, 2024



Gary W. Higgins, CPA
Licensed Public School Accountant, No. 814

Required Supplementary Information – Part I

Management's Discussion and Analysis

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The discussion and analysis of the Wallington Board of Education's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

Financial Highlights

- In total, net position increased \$2,852,327.
- General revenues accounted for \$22,767,377 in revenue or 76 percent of all revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for \$7,035,699 or 24 percent of total revenues of \$29,803,076.
- Total net position of governmental activities amounted to \$12,635,106 as of June 30, 2023.
- The District had \$26,719,596 in expenses related to governmental activities; only \$6,777,828 were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$22,767,377 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$28,904,634 in revenues, \$26,991,771 in expenditures and \$107,075 in other financing sources. The General Fund's fund balance increased \$2,019,938 from fiscal year 2022.

Using the Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Wallington Board of Education as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Using the Annual Comprehensive Financial Report (ACFR) (Continued)

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the district's most significant funds. In the case of the Wallington Board of Education, the General Fund is by far the most significant fund.

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2023?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General, Special Revenue, Capital Projects and Debt Service Funds and are considered major funds. The District's Food Service Fund is its only Enterprise Fund and is considered a major fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end available for spending in the future years. These funds are reported using the *modified accrual accounting method*, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader 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.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

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 District as a Whole

The *Statement of Net Position* provides the perspectives of the District as a whole, showing assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The District as a Whole (Continued)

Table 1 provides a summary of the District's net position as of June 30, 2023 and 2022.

	Table 1					
	Net Position					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		<i>(as Restated)</i>				<i>(as Restated)</i>
Assets						
Current and Other Assets	\$ 9,866,984	\$ 7,083,826	\$ 120,944	\$ 101,022	\$ 9,987,928	\$ 7,184,848
Capital Assets, net of accumulated depreciation/amortization	<u>10,138,528</u>	<u>10,347,817</u>	<u>19,399</u>	<u>12,603</u>	<u>10,157,927</u>	<u>10,360,420</u>
Total Assets	<u>20,005,512</u>	<u>17,431,643</u>	<u>140,343</u>	<u>113,625</u>	<u>20,145,855</u>	<u>17,545,268</u>
Deferred Outflows of Resources						
Deferred Amounts on Debt Refunding	2,503	5,023			2,503	5,023
Deferred Amounts on Net Pension Liability	<u>567,978</u>	<u>307,928</u>	-	-	<u>567,978</u>	<u>307,928</u>
Total Deferred Outflows of Resources	<u>570,481</u>	<u>312,951</u>	-	-	<u>570,481</u>	<u>312,951</u>
Liabilities						
Long-term Liabilities	5,675,299	5,682,372			5,675,299	5,682,372
Other Liabilities	<u>1,754,878</u>	<u>857,283</u>	-	-	<u>1,754,878</u>	<u>857,283</u>
Total Liabilities	<u>7,430,177</u>	<u>6,539,655</u>	-	-	<u>7,430,177</u>	<u>6,539,655</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>510,710</u>	<u>1,395,442</u>	-	-	<u>510,710</u>	<u>1,395,442</u>
Total Deferred Inflows of Resources	<u>510,710</u>	<u>1,395,442</u>	-	-	<u>510,710</u>	<u>1,395,442</u>
Net Position						
Net Investment in Capital Assets	7,414,176	7,072,198	19,399	12,603	7,433,575	7,084,801
Restricted	1,421,786	900,444			1,421,786	900,444
Unrestricted	<u>3,799,144</u>	<u>1,836,855</u>	<u>120,944</u>	<u>101,022</u>	<u>3,920,088</u>	<u>1,937,877</u>
Total Net Position	<u>\$ 12,635,106</u>	<u>\$ 9,809,497</u>	<u>\$ 140,343</u>	<u>\$ 113,625</u>	<u>\$ 12,775,449</u>	<u>\$ 9,923,122</u>

The District's combined net position was \$12,775,449 and \$9,923,122 on June 30, 2023 and 2022, respectively. This reflects an increase of 29 percent from the prior year.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Table 2 shows changes in net position for fiscal years ended June 30, 2023 and 2022.

Table 2
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charge for Services	\$ 25,352	\$ 29,677	\$ 19,944		\$ 45,296	\$ 29,677
Grants and Contributions	6,752,476	8,095,572	237,927	\$ 343,956	6,990,403	8,439,528
General Revenues:						
Property Taxes	17,473,532	17,219,705			17,473,532	17,219,705
State Aid	4,955,456	4,332,462			4,955,456	4,332,462
Other	338,389	175,146	-	-	338,389	175,146
Total Revenues	<u>29,545,205</u>	<u>29,852,562</u>	<u>257,871</u>	<u>343,956</u>	<u>29,803,076</u>	<u>30,196,518</u>
Program Expenses						
Instruction	17,473,266	17,591,719			17,473,266	17,591,719
Support Services:						
Students and Instructional Staff	2,956,824	3,046,721			2,956,824	3,046,721
General Administration, School Administration, Business/Central Operations and Maintenance of Facilities	5,401,708	5,994,895			5,401,708	5,994,895
Pupil Transportation	819,451	786,217			819,451	786,217
Interest on Debt	68,347	74,064			68,347	74,064
Food Service	-	-	231,153	269,602	231,153	269,602
Total Expenses	<u>26,719,596</u>	<u>27,493,616</u>	<u>231,153</u>	<u>269,602</u>	<u>26,950,749</u>	<u>27,763,218</u>
Change in Net Position	2,825,609	2,358,946	26,718	74,354	2,852,327	2,433,300
Net Position, Beginning of Year	<u>9,809,497</u>	<u>7,388,506</u>	<u>113,625</u>	<u>39,271</u>	<u>9,923,122</u>	<u>7,427,777</u>
Prior Period Adjustment	-	62,045	-	-	-	62,045
Net Position, End of Year	<u>\$ 12,635,106</u>	<u>\$ 9,809,497</u>	<u>\$ 140,343</u>	<u>\$ 113,625</u>	<u>\$ 12,775,449</u>	<u>\$ 9,923,122</u>

Governmental Activities

In New Jersey the funding of public schools is primarily through property taxes. The District's total revenues of governmental activities were \$29,545,205 and \$29,852,562 for the years ended June 30, 2023 and 2022, respectively. Property taxes made up 59 and 58 percent of revenues for governmental activities for the Wallington Board of Education for fiscal years 2023 and 2022, respectively. Federal, state and local grants accounted for 40 and 42 percent of revenue for fiscal years ended June 30, 2023 and 2022, respectively.

The total cost of all programs and services was \$26,719,596 and \$27,493,616 for the fiscal years ended June 30, 2023 and 2022, respectively. Instruction comprised 65 and 64 percent of governmental program expenses for the fiscal years ended June 30, 2023 and 2022, respectively. Support service expenses make up 34 and 36 percent of governmental expenses for the fiscal years ended June 30, 2023 and 2022, respectively. The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Table 3

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$ 17,473,266	\$ 17,591,719	\$ 12,162,401	\$ 11,553,031
Support Services:				
Students and Instructional Staff	2,956,824	3,046,721	2,548,163	2,463,942
General Administration, School Admin., Business- Central, Operation and Maintenance of Facilities	5,401,708	5,994,895	4,509,266	4,657,108
Pupil Transportation	819,451	786,217	653,591	620,222
Interest on Debt	<u>68,347</u>	<u>74,064</u>	<u>68,347</u>	<u>74,064</u>
 Total Expenses	 <u>\$ 26,719,596</u>	 <u>\$ 27,493,616</u>	 <u>\$ 19,941,768</u>	 <u>\$ 19,368,367</u>

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$257,871 and expenses of \$231,153 in fiscal year 2023. Of the revenues, \$19,944 were charges for services paid by patrons for daily food service and \$237,927 was from State and Federal reimbursements.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$31,237,193 and \$30,431,580 and expenditures were \$29,458,138 and \$28,829,439, for the fiscal years ended June 30, 2023 and 2022, respectively. The net change in the fund balance for the fiscal year ended June 30, 2023 was an increase of \$1,886,130.

The following schedules present a comparison of the revenues of the governmental funds for the fiscal years ending June 30, 2023 and 2022.

<u>Revenues</u>	<u>Amount</u>		Amount of	Percent
	<u>2023</u>	<u>2022</u>	Increase (Decrease)	Change
Local Sources	\$ 18,019,024	\$ 17,597,267	\$ 421,757	2.40%
State Sources	11,531,565	11,177,248	354,317	3.17%
Federal Sources	<u>1,686,604</u>	<u>1,657,065</u>	<u>29,539</u>	1.78%
 Total	 <u>\$ 31,237,193</u>	 <u>\$ 30,431,580</u>	 <u>\$ 805,613</u>	 2.65%

The following schedule represents a comparison of the governmental funds expenditures for the fiscal years ending June 30, 2023 and 2022.

<u>Expenditures</u>	<u>Amount</u>		Amount of	Percent
	<u>2023</u>	<u>2022</u>	Increase (Decrease)	Change
Current:				
Instruction	\$ 18,948,862	\$ 18,353,768	\$ 595,094	3.24%
Support Services	8,589,584	8,903,610	(314,026)	-3.53%
Capital Outlay	1,073,867	747,732	326,135	43.62%
Debt Service:				
Principal	765,278	734,981	30,297	4.12%
Interest	<u>80,547</u>	<u>89,348</u>	<u>(8,801)</u>	-9.85%
 Total	 <u>\$ 29,458,138</u>	 <u>\$ 28,829,439</u>	 <u>\$ 628,699</u>	 2.18%

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

General Fund Budgeting Highlights

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

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

Capital Assets

At the end of fiscal years 2023 and 2022, the District had \$10,157,927 and \$10,360,420 invested in land, buildings, right to use assets – buildings, furniture, equipment, right to use assets – equipment, and vehicles used for governmental and business-type activities. Overall capital assets decreased \$202,493 from fiscal year 2022 to fiscal year 2023 as a result of depreciation/amortization expense exceeding capital outlay additions. Table 4 shows capital assets net of depreciation/amortization at June 30, 2023 and 2022 for governmental and business-type activities.

Table 4
Capital Assets, Net of Depreciation/Amortization

	<u>2023</u>	<u>2022</u> (As restated)
Land	\$ 21,354	\$ 21,354
Construction in Progress	221,328	433,117
Land Improvements	1,830,663	1,504,222
Buildings and Building Improvements	7,186,646	7,476,169
Right to Use Assets - Building	424,383	777,300
Machinery and Equipment	372,003	121,422
Right to Use Assets - Equipment	101,550	26,836
 Total	 \$ 10,157,927	 \$ 10,360,420

Long-Term Liabilities

At June 30, 2023 and 2022 the District \$5,675,299 and \$5,682,372 of long-term liabilities, respectively. Of this amount, \$341,511 and \$396,942 is for compensated absences, \$525,933 and \$804,136 for leases payable, \$2,079,196 and \$2,471,483 for bonds payable, including unamortized bond premium, \$2,728,659 and \$2,009,811 for net pension liability, respectively.

WALLINGTON BOARD OF EDUCATION
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Long-Term Liabilities (continued)

On October 6, 2022, the voters of the Wallington Board of Education approved a \$7,278,530 referendum authorizing the District to issue bonds and/or notes to finance various capital improvements and upgrades to Wallington Junior/Senior High School and Frank W. Gaylak Elementary School. The Board anticipates permanently financing the approved referendum during the fiscal year ending June 30, 2024.

For the Future

The Wallington Board of Education is in stable financial condition presently. The District is proud of its community support of the public schools. A major concern is the potential enrollment growth of the district and the increased reliance on property taxes as well as State laws restricting fund balances/net position.

In conclusion, the District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenge of the future.

Contacting the District's Financial Management

This financial report is designed to provide the citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Jody Pietrowitz, School Business Administrator/Board Secretary at Wallington Board of Education, Jefferson School – Pine Street, Wallington, NJ 07057.

District-wide Financial Statements

The district-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2023.

Basic Financial Statements

Wallington Board of Education

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 9,425,580	\$ 109,002	\$ 9,534,582
Accounts receivable	441,404	11,942	453,346
Capital assets, non-depreciable	242,682		242,682
Capital assets, depreciable, net	9,895,846	19,399	9,915,245
Total assets	<u>20,005,512</u>	<u>140,343</u>	<u>20,145,855</u>
Deferred outflows of resources			
Deferred amount on debt refunding	2,503	-	2,503
Pension deferrals	567,978		567,978
Total deferred outflows of resources	<u>570,481</u>	<u>-</u>	<u>570,481</u>
Liabilities			
Accounts payable	803,313		803,313
Other liabilities	130,827		130,827
Notes Payable	800,000		800,000
Accrued interest payable	20,504		20,504
Unearned revenue	234		234
Net pension liability	2,728,659		2,728,659
Current portion of long-term obligations	780,551		780,551
Noncurrent portion of long-term obligations	2,166,089		2,166,089
Total liabilities	<u>7,430,177</u>	<u>-</u>	<u>7,430,177</u>
Deferred inflow of resources			
Pension deferrals	510,710	-	510,710
Net position			
Net investment in capital assets	7,414,176	19,399	7,433,575
Restricted for:			
Capital projects	1,154,413		1,154,413
Unemployment Reserve	131,168		131,168
Scholarships	28,149		28,149
Student Activities	108,056		108,056
Unrestricted	3,799,144	120,944	3,920,088
Total net position	<u>\$ 12,635,106</u>	<u>\$ 140,343</u>	<u>\$ 12,775,449</u>

See accompanying notes to the basic financial statements.

Wallington Board of Education

Statement of Activities

Year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction:							
Regular Instruction	\$ 9,807,279	\$ 25,352	\$ 2,263,358		\$ (7,518,569)		\$ (7,518,569)
Special Education Instruction	5,544,712		2,356,368		(3,188,344)		(3,188,344)
Other Instruction	1,193,391		383,898		(809,493)		(809,493)
School-Sponsored Activities and Athletics	927,884		281,889		(645,995)		(645,995)
Support services							
Student and instruction related services	2,956,824		408,661		(2,548,163)		(2,548,163)
General administration services	658,705		64,815		(593,890)		(593,890)
School administration services	853,699		136,864		(716,835)		(716,835)
Central services/Admin. Information Technology	680,425		101,451		(578,974)		(578,974)
Plant operations and required maintenance	3,208,879		273,509	\$ 315,803	(2,619,567)		(2,619,567)
Pupil transportation	819,451		165,860		(653,591)		(653,591)
Interest and other charges on long term obligations	68,347				(68,347)	-	(68,347)
Total governmental activities	26,719,596	25,352	6,436,673	315,803	(19,941,768)	-	(19,941,768)
Business-type activities							
Food service	231,153	19,944	237,927	-	-	\$ 26,718	26,718
Total business-type activities	231,153	19,944	237,927	-	-	26,718	26,718
Total primary government	\$ 26,950,749	\$ 45,296	\$ 6,674,600	\$ 315,803	(19,941,768)	26,718	(19,915,050)
General revenues							
Property taxes, levied for general purposes					17,016,378		17,016,378
Property taxes, levied for debt service					457,154		457,154.00
State and federal sources					4,955,456		4,955,456
Interest and investment income					119,763		119,763
Miscellaneous income					218,626	-	218,626
Total general revenues					22,767,377		22,767,377
Change in net position					2,825,609	26,718	2,852,327
Net position—beginning, as restated					9,809,497	113,625	9,923,122
Net position—ending					\$ 12,635,106	\$ 140,343	\$ 12,775,449

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Wallington Board of Education

Governmental Funds

Balance Sheet

June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 8,581,676	\$ 165,630	\$ 678,274		\$ 9,425,580
Accounts receivable:					
State	351,469	3,310			354,779
Federal		86,624			86,624
Other	1				1
Interfunds	23,862				23,862
Total assets	<u>\$ 8,957,008</u>	<u>\$ 255,564</u>	<u>\$ 678,274</u>	<u>\$ -</u>	<u>\$ 9,890,846</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 503,164	\$ 65,838	\$ 3,302		\$ 572,304
Scholarships payable		29,425			29,425
Interfunds		23,862			23,862
Payroll Deductions and Withholdings Payable	6,865				6,865
Unemployment Claims payable	94,537				94,537
Notes Payable			800,000		800,000
Unearned revenue		234		-	234
Total liabilities	<u>604,566</u>	<u>119,359</u>	<u>803,302</u>	<u>-</u>	<u>1,527,227</u>
Fund balances:					
Restricted for:					
Excess surplus	3,643,694				3,643,694
Excess surplus - prior year - designated for subsequent year's expenditures	2,933,695				2,933,695
Capital reserve	1,154,413				1,154,413
Unemployment Reserve	131,168				131,168
Scholarships		28,149			28,149
Student Activities		108,056			108,056
Assigned to:					
Year end encumbrances	391,772				391,772
Unassigned:					
Capital projects			(125,028)		(125,028)
General fund	97,700				97,700
Total fund balances	<u>8,352,442</u>	<u>136,205</u>	<u>(125,028)</u>	<u>-</u>	<u>8,363,619</u>
Total liabilities and fund balances	<u>\$ 8,957,008</u>	<u>\$ 255,564</u>	<u>\$ 678,274</u>	<u>\$ -</u>	

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 \$22,461,404 and the accumulated depreciation/amortization is \$12,322,876.	10,138,528
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(20,504)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.	2,503
Long-term liabilities, including bonds payable, net, leases, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,946,640)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	57,268
Accrued pension contributions for the June 30, 2023 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(231,009)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(2,728,659)</u>
Net position of governmental activities (A-1)	<u>\$ 12,635,106</u>

See accompanying notes to the basic financial statements.

Wallington Board of Education
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 17,016,378			\$ 457,154	\$ 17,473,532
Tuition	25,352				25,352
Interest earned on Capital Reserve funds	5,122				5,122
Miscellaneous	333,267	\$ 181,751			515,018
Total local sources	17,380,119	181,751	-	457,154	18,019,024
State sources	11,424,953	106,612			11,531,565
Federal sources	99,562	1,587,042			1,686,604
Total revenues	28,904,634	1,875,405	-	457,154	31,237,193
Expenditures					
Current					
Instruction					
Regular Instruction	10,117,242	702,893			10,820,135
Special Education Instruction	5,330,270	473,334			5,803,604
Other Instruction	1,108,436	203,624			1,312,060
School-Sponsored Activities and Athletics	854,060	159,003			1,013,063
Support Services					
Student and Instruction Related Services	3,252,009	29,528			3,281,537
General Administration Services	714,899				714,899
School Administration Services	956,766				956,766
Central Services/Admin. Information Technology	761,973				761,973
Plant Operations and Required Maintenance	2,054,958				2,054,958
Pupil Transportation	819,451				819,451
Capital outlay	633,036	315,803	\$ 125,028		1,073,867
Debt Service:					
Principal	385,278			380,000	765,278
Interest	3,393			77,154	80,547
Total expenditures	26,991,771	1,884,185	125,028	457,154	29,458,138
Excess (deficiency) of revenues over (under) expenditures/net change in fund balances					
	1,912,863	(8,780)	(125,028)	-	1,779,055
Other financing sources (uses):					
Lease proceeds	107,075				107,075
Total other financing sources (uses)	107,075	-	-	-	107,075
Net change in fund balances	2,019,938	(8,780)	(125,028)	-	1,886,130
Fund balances, beginning	6,332,504	144,985			6,477,489
Fund balances (Deficit), ending	\$ 8,352,442	\$ 136,205	\$ (125,028)	\$ -	\$ 8,363,619

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

Wallington Board of Education
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2023

Total net change in fund balances - governmental funds (from B-2)	\$	1,886,130
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation/amortization expense exceeds capital additions in the period.		
	Capital additions	\$ 1,073,867
	Depreciation/amortization expense	<u>(1,283,156)</u>
		(209,289)
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.		
		2,433
The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net position.		
	Lease Issued	(107,075)
Repayments of bond and capital lease principals are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
	Serial bonds payable	380,000
	Leases payable	<u>385,278</u>
		765,278
Governmental funds report the affect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.		
	Amortization of premium on bonds	12,287
	Amortization of deferred amount of loss on defeasance	<u>(2,520)</u>
		9,767
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		
		55,431
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds		
	Pension expense	422,934
Change in net position of governmental activities (A-2)	<u>\$</u>	<u>2,825,609</u>

Proprietary Funds

Wallington Board of Education
Proprietary Funds

Statement of Net Position

June 30, 2023

	<u>Major Funds</u>
	<u>Business Type Activities -</u>
	<u>Enterprise Funds</u>
	<u>Food</u>
	<u>Service</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 109,002
Accounts receivable:	
Federal	11,486
State	456
Total current assets	<u>120,944</u>
Non-current assets:	
Capital assets:	
Depreciable assets	76,043
Accumulated depreciation	<u>(56,644)</u>
Total capital assets, net	<u>19,399</u>
Total assets	<u>140,343</u>
Net position	
Investment in capital assets	19,399
Unrestricted	120,944
Total net position	<u>\$ 140,343</u>

See accompanying notes to the basic financial statements.

Wallington Bord of Education
Proprietary Funds

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2023

	Major Funds
	Business Type Activities -
	Enterprise Funds
	Food Service
Operating revenues:	
Local sources:	
Daily sales reimbursable programs	\$ 19,944
Total operating revenues	19,944
Operating expenses:	
Cost of sales reimbursable programs	228,840
Depreciation	2,313
Total operating expenses	231,153
Operating (loss)	(211,209)
Nonoperating revenues:	
State sources:	
State school lunch program	529
State school breakfast program	5,924
Federal sources:	
School breakfast program	13,534
National school lunch program	149,977
COVID-19 Supply Chain Assistance Grant	67,963
Total nonoperating revenues	237,927
Change in net position	26,718
Total net position, beginning of year	113,625
Total net position, end of year	\$ 140,343

See accompanying notes to the basic financial statements.

Wallington Board of Education
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2023

	Major Funds
	Business Type Activities - Enterprise Funds
	Food Service
Cash flows from operating activities	
Cash payments to suppliers for goods and services	\$ (228,840)
Receipts from services provided	19,944
Net cash used for operating activities	(208,896)
Cash flows from noncapital financing activities	
Cash received from state and federal reimbursements	257,290
Net cash provided by noncapital financing activities	257,290
Cash flows from capital and related financing activities	
Purchase of capital assets	(9,109)
Net cash used for capital and related financing activities	(9,109)
Net increase in cash and cash equivalents	39,285
Cash and cash equivalents, beginning of year	69,717
Cash and cash equivalents, end of year	\$ 109,002
Reconciliation of operating (loss) to net cash used for operating activities	
Operating (loss)	\$ (211,209)
Adjustments to reconcile operating (loss) to net cash used for provided by operating activities:	
Depreciation	2,313
Net cash used for operating activities	\$ (208,896)

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Wallington 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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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 Wallington Board of Education this includes general operations, food service, 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. Recently Issued and Adopted Accounting Principles

During fiscal year 2023, the District adopted the following GASB statements:

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* in May 2020. This Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has reviewed the requirements of the Statement and the impact of the Statement on the financial statements was deemed not material.

The GASB issued Statement No. 99, *Omnibus 2022* in April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for periods beginning after June 15, 2022. Management has implemented the Statement.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Recently Issued and Adopted Accounting Principles (Continued)

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

The GASB issued Statement No. 101, *Compensated Absences* in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has not determined the impact of the Statement on the financial statements.

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. Currently the District has no fiduciary funds.

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. 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 fund 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 and proprietary activities. 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 funds and enterprise fund to be major funds.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 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, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

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

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

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

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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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.

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 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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 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.

4. *Capital Assets*

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and Building Improvements	50
Building Improvements	20-40
Heavy Equipment	5
Office Equipment and Furniture	5
Computer Equipment	5
Right to Use Assets	5

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category 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.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated 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.

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund 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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. 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. Differences resulting from debt refundings are classified as deferred inflows of resources or deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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.

9. Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (“lease asset”) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that was appropriated in the 2023/2024 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2B).

WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Unemployment Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District’s election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

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

Scholarships – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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.

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

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The Board has no committed fund balances.

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 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.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

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, are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 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. 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 23, 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 2022/2023. During 2022/2023 the Board increased the original general fund budget by \$477,608. The increase was funded by reappropriation of prior year general fund encumbrances. Also, during 2022/2023 the Board increased the original special revenue fund budget by \$334,475. The increase was funded by the 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.

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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

B. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 649,291
Increased by		
Deposit per Board Resolution	\$ 500,000	
Interest on Deposits	<u>5,122</u>	
		<u>505,122</u>
Balance, June 30, 2023		<u>\$ 1,154,413</u>

C. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2023 is \$6,577,389. Of this amount, \$2,933,695 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$3,643,694 will be appropriated in the 2024/2025 original budget certified for taxes.

D. Deficit Fund Equity

The District has an accumulated deficit in fund balance of \$125,028 in the Capital Projects Fund as of June 30, 2023. This deficit is the result of the District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under accounting principles generally accepted in the United States of America.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2023, the book value of the Board's deposits were \$9,534,582 and bank and brokerage firm balances of the Board's deposits amounted to \$10,266,909. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	<u>\$ 10,266,909</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, 2023 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2023, for the District’s individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental -				
Federal			\$ 11,486	\$ 11,486
State	\$ 351,469	\$ 3,310	456	355,235
Other	<u>1</u>	<u>86,624</u>	<u>-</u>	<u>86,625</u>
Gross Receivables	351,470	89,934	11,942	453,346
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 351,470</u>	<u>\$ 89,934</u>	<u>\$ 11,942</u>	<u>\$ 453,346</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	\$ 234
Total Unearned Revenue for Governmental Funds	<u>\$ 234</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance, <u>July 1, 2022</u> (As Restated)	<u>Increases</u>	<u>Transfers</u>	Balance, <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 21,354			\$ 21,354
Construction In Progress	<u>433,117</u>	<u>\$ 221,328</u>	<u>\$ (433,117)</u>	<u>221,328</u>
Total Capital Assets, Not Being Depreciated	<u>454,471</u>	<u>221,328</u>	<u>(433,117)</u>	<u>242,682</u>
Capital Assets, Being Depreciated/Amortized:				
Buildings and Building Improvements	16,225,891	\$ 365,135	15,712	16,606,738
Right to Use Assets -Buildings	1,120,484			1,120,484
Land Improvements	2,680,691	67,315	417,405	3,165,411
Machinery and Equipment	857,367	313,014	-	1,170,381
Right to Use Assets -Equipment	<u>48,633</u>	<u>107,075</u>	<u>-</u>	<u>155,708</u>
Total Capital Assets Being Depreciated/Amortized	<u>20,933,066</u>	<u>852,539</u>	<u>433,117</u>	<u>22,218,722</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Building Improvements	(8,749,722)	(670,370)		(9,420,092)
Right to Use Assets -Buildings	(343,184)	(352,917)		(696,101)
Land Improvements	(1,176,469)	(158,279)		(1,334,748)
Machinery and Equipment	(748,548)	(69,229)	-	(817,777)
Right to Use Assets -Equipment	<u>(21,797)</u>	<u>(32,361)</u>	<u>-</u>	<u>(54,158)</u>
Total Accumulated Depreciation/Amortization	<u>(11,039,720)</u>	<u>(1,283,156)</u>	<u>-</u>	<u>(12,322,876)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>9,893,346</u>	<u>(430,617)</u>	<u>433,117</u>	<u>9,895,846</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,347,817</u>	<u>\$ (209,289)</u>	<u>\$ -</u>	<u>\$ 10,138,528</u>

WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 66,934	\$ 9,109	-	\$ 76,043
Total Capital Assets Being Depreciated	<u>66,934</u>	<u>9,109</u>	<u>-</u>	<u>76,043</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(54,331)	(2,313)	-	(56,644)
Total Accumulated Depreciation	<u>(54,331)</u>	<u>(2,313)</u>	<u>-</u>	<u>(56,644)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,603</u>	<u>6,796</u>	<u>-</u>	<u>19,399</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,603</u>	<u>\$ 6,796</u>	<u>\$ -</u>	<u>\$ 19,399</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 36,561
Total Instruction	<u>36,561</u>
Support Services	
Student & Instruction Related Services	24,659
General Administrative Services	560
School Administrative Services	4,739
Plant Operations and Maintenance	<u>1,216,637</u>
Total Support Services	<u>1,246,595</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 1,283,156</u>
Business-Type Activities:	
Food Service Fund	\$ 2,313
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,313</u>

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

E. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ <u>23,862</u>
Total		\$ <u>23,862</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

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

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Leases Payable - Buildings

The District leases the former Most Sacred Heart of Jesus School Building to use for elementary school grades Kindergarten through 6th grade under a noncancelable lease. Lease payments for the fiscal year ended June 30, 2023 were \$352,917.

The future minimum lease obligations and the net present value of the minimum lease payments on the remaining building lease as of June 30, 2023, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 363,504		\$ 363,504
2025	<u>60,879</u>	<u>-</u>	<u>60,879</u>
	<u>\$ 424,383</u>	<u>\$ -</u>	<u>\$ 424,383</u>

Leases Payable - Equipment

The District leases copiers under a noncancelable lease. The term of the lease is five years. Lease payments for the fiscal year ended June 30, 2023 were \$32,361.

The future minimum lease obligations and the net present value of the minimum lease payments on the remaining equipment lease as of June 30, 2023, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 23,917	\$ 4,097	\$ 28,014
2025	20,926	3,134	24,060
2026	21,899	2,161	24,060
2027	22,938	1,122	24,060
2028	<u>11,870</u>	<u>151</u>	<u>12,021</u>
	<u>\$ 101,550</u>	<u>\$ 10,665</u>	<u>\$ 112,215</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. The bonds are direct obligations of the Board and 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, 2023 are comprised of the following issues:

\$2,617,000, 2014 School Bonds, due in annual installments of \$165,000 to \$260,000 through August 15, 2029, interest at 3.00%	\$1,627,000
\$2,060,000, 2015 School Refunding Bonds, due in annual installments of \$220,000 through May 15, 2025, interest at 4.00%	<u>440,000</u>
	<u>\$2,067,000</u>

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

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 385,000	\$ 63,935	\$ 448,935
2025	390,000	50,110	440,110
2026	260,000	34,860	294,860
2027	260,000	27,060	287,060
2028	260,000	19,260	279,260
2029-2030	<u>512,000</u>	<u>15,240</u>	<u>527,240</u>
	<u>\$ 2,067,000</u>	<u>\$ 210,465</u>	<u>\$ 2,277,465</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 52,315,878
Less: Net Debt Outstanding	2,067,000
Less: Promissory Note Issued	800,000
Less: Authorized but Not Issued	<u>6,478,530</u>
Remaining Borrowing Power	<u>\$ 42,970,348</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 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, 2023, was as follows:

	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2023</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds Payable	\$ 2,447,000		\$ 380,000	\$ 2,067,000	\$ 385,000
Add: Unamortized Premium	<u>24,483</u>	-	<u>12,287</u>	<u>12,196</u>	<u>8,130</u>
Total Bonds Payable	2,471,483	-	392,287	2,079,196	393,130
Compensated Absences	396,942		55,431	341,511	
Leases Payable - Buildings	777,300		352,917	424,383	363,504
Leases Payable - Equipment	26,836	\$ 107,075	32,361	101,550	23,917
Net Pension Liability	<u>2,009,811</u>	<u>718,848</u>	<u>-</u>	<u>2,728,659</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 5,682,372</u>	<u>\$ 825,923</u>	<u>\$ 832,996</u>	<u>\$ 5,675,299</u>	<u>\$ 780,551</u>

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

I. Short-Term Debt

The Board's short-term activity for the fiscal year ended June 30, 2023 was as follows:

Notes Payable

On October 6, 2022, the voters of the Wallington Board of Education approved a \$7,278,530 referendum authorizing the District to issue bonds and/or notes to finance various capital improvements and upgrades to Wallington Junior/Senior High School and Frank W. Gaylak Elementary School. The Board issued a School Promissory Note to interim finance the Capital Projects. The Board's short-term debt activity for the fiscal year ended June 30, 2023, was as follows:

Rate %	Maturity Date	Balance, July 1, 2022	<u>Additions</u>	<u>Reductions</u>	Balance, June 30, 2023
4.20	8/16/2023	\$ -	<u>\$ 800,000</u>	<u>\$ -</u>	<u>\$ 800,000</u>

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date; provided however that notes are not renewed beyond the third anniversary date of the originals unless an amount of such notes equal to the first legally payable installment of the bonds such notes were issued in anticipation of are paid and retired in each subsequent year.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 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 Annual Comprehensive Financial Report.

The District is a member of the School Alliance Insurance Fund (SAIF or Fund). The Fund is a risk sharing public entity pool, established for the purpose of insuring against various risks.

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.

SAIF 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 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 interest earnings and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund for the current and prior two years:

Fiscal Year Ended <u>June 30,</u>	Balance <u>July,1</u>	Amount <u>Budgeted</u>	Amount <u>Reimbursed</u>	Balance <u>June 30,</u>
2023	\$106,168	\$ 25,000		\$ 131,168
2022	106,168			106,168
2021	118,299		\$ 12,131	106,168

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 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, 2023, 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, 2023, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was 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 public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System

The Public Employees' Retirement System was 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 Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contribution rates for TPAF and PERS are 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2023, the State of New Jersey contributed \$3,924,483 to the TPAF for on-behalf medical, non-contributory insurance and pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$656,813 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2023, 2022 and 2021 were \$228,009, \$198,685, and \$192,134, respectively.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

accordance with the benefit terms. Investments are reported at fair value.

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, 2023, the District reported a liability of \$2,728,659 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2022, the District's proportion was 0.0180809133 percent, which was an increase of 0.00111547503 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized full accrual pension (benefit) of (\$194,922) in the government-wide financial statements. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 19,694	\$ 17,367
Changes of Assumptions	8,454	408,588
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	112,937	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	195,884	84,755
District Contributions Subsequent to the Measurement Date	231,009	
Total	<u>\$ 567,978</u>	<u>\$ 510,710</u>

\$231,009 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2024	\$ (200,156)
2025	(89,136)
2026	(38,275)
2027	152,704
2028	1,122
Thereafter	-
	<u>\$ (173,741)</u>

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Assumptions

The total collective pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on SOA's Scale MP-2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate

The following presents the District’s proportionate share of the net pension liability as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,505,528</u>	<u>\$ 2,728,659</u>	<u>\$ 2,067,513</u>

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$	1,660,772,008
Deferred inflows of resources	\$	3,236,303,935
Net pension liability	\$	15,219,184,920
 District's Proportion		 0.0180809133%

Collective pension (benefit) for the Local Group for the measurement period ended June 30, 2022 is \$(1,032,778,934).

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017 and 2016 is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, and 5.57 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the net pension liability that is associated with the local participating employer.

The State’s proportionate share of the TPAF net pension liability associated with the District as of June 30, 2023 was \$38,728,848. The District’s proportionate share was \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State’s proportionate share of the net pension liability associated with the District was based on a projection of the State’s long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State’s proportionate share of the TPAF net pension liability associated with the District was 0.071918434 percent, which was a decrease of 0.0026223181 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue in the government-wide financial statements of \$1,030,191 for contributions incurred by the State.

**ALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	Based on years of service
Thereafter	2.75 - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on SOA's Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State’s proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State’s proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State’s proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 44,882,763	\$ 38,278,848	\$ 32,715,880

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 4,996,491,160
Deferred inflows of resources	\$ 19,532,696,776
Net pension liability	\$ 51,594,415,806
State's proportionate share associated with the District	0.0741918434%

Collective pension expense of the Local Group for the plan for the measurement period ended June 30, 2022 is \$1,424,884,581.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 is 7.83, 7.93, 8.04, 8.29, 8.30, 8.30 and 8.30 years, respectively.

E. Post-Retirement Benefits

State Health Benefit State Retired Employees Plan

Plan description and benefits provided

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L.1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

The State's contributions to the SHBP Fund for TPAF retirees' post-retirement medical benefits on behalf of the District for the years ended June 30, 2023, 2022 and 2021 were \$815,991, \$723,658, and \$691,694, respectively, which equaled the required contributions for each year.

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

Total OPEB Liability

Changes in Total OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2022:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>40,904,221</u>
Changes Recognized for the Fiscal Year:	
Service Cost	1,947,561
Interest on the Total OPEB Liability	925,177
Differences Between Expected and Actual Experience	1,386,109
Changes of Assumptions	(9,365,160)
Gross Benefit Payments	(916,415)
Contributions from the Member	29,399
Net Changes	<u>\$ (5,993,329)</u>
Balance, June 30, 2022 Measurement Date	<u>\$ 34,910,892</u>

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2022</u>
Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	151,669
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>364,817</u>

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective OPEB liability on the Statement of Net Position. The State's proportionate share of the OPEB liability associated with the District as of June 30, 2022 was \$34,910,892. Additional information can be obtained from the State of New Jersey's annual comprehensive financial report.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022 and included in the June 30, 2021 audited financial statements of the State Health Benefit Local Education Retired Employees Plan. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation rate	2.50%	2.50%
Salary Increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on years of service
Thereafter	2.75-5.65%	3.00 - 7.00%
	based on years of service	based on years of service

Mortality Rates

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the actual experience studies for the periods July 1, 2018 – June 30, 2021 for TPAF and PERS.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% after 10 years. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 8.0% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (2.54 %) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 41,034,081</u>	<u>\$ 34,910,892</u>	<u>\$ 30,003,462</u>

**WALLINGTON BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Benefits (Continued)

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2022 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 28,855,986	\$ 34,910,892	\$ 42,864,379

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$384,020 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2022 are as follows:

Deferred outflows of resources	\$ 20,104,625,333
Deferred inflows of resources	\$ 34,996,842,046
Collective OPEB expense	\$ 1,595,653,562

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Wallington Board of Education, the District's share of abated taxes resulting from the Borough having entered into tax abatement agreements is indeterminate.

NOTE 5 RESTATEMENT

The District's Governmental Activities capital assets were restated to reflect certain adjustments to prior year's capital assets and accumulated depreciation. This required a restatement of prior year capital assets and net position as follows :

	<u>Balance June 30, 2022</u>	<u>Restatement</u>	<u>June 30, 2022 As Restated</u>
Statement of Net Position - Governmental Activities			
Assets:			
Capital Assets not being Depreciated/Amortized	\$ 51,734	\$ 402,757	\$ 454,491
Capital Assets being Depreciated/Amortized, net	<u>10,234,038</u>	<u>(340,692)</u>	<u>9,893,346</u>
Capital Assets, Net	<u>\$ 10,285,772</u>	<u>\$ 62,065</u>	<u>\$ 10,347,837</u>
Net Position	<u>\$ 9,747,452</u>	<u>\$ 62,045</u>	<u>\$ 9,809,497</u>

NOTE 6 SUBSEQUENT EVENTS

The Board has evaluated subsequent events occurring after June 30, 2023, through the date of audit, which is the date the financial statements were available to be issued. Based on this evaluation, the Board has determined the following subsequent events have occurred which require disclosure in the financial statements.

The Board renewed its outstanding school promissory note in the amount of \$800,000 that matured on August 16, 2023. The note is issued through Spencer Savings Bank at an interest rate of 4.5% and matures on October 16, 2023. On October 16, 2023, the Board renewed the school promissory note in the amount of \$4,000,000. The note is issued through Spencer Savings Bank at an interest rate of 4.65% and matures on February 16, 2024. The Board anticipates permanently financing this note and the balance of the approved referendum during the fiscal year ended June 30, 2024.

Required Supplementary Information – Part II

Pension and OPEB Schedules

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

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years ***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability (Asset)	0.01808 %	0.01696 %	0.01756 %	0.01729 %	0.01730 %	0.01747 %	0.01844 %	0.01833 %	0.01835 %	0.01904 %
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 2,728,659</u>	<u>\$ 2,009,811</u>	<u>\$ 2,864,120</u>	<u>\$ 3,115,307</u>	<u>\$ 3,407,370</u>	<u>\$ 4,068,599</u>	<u>\$ 5,460,788</u>	<u>\$ 4,116,732</u>	<u>\$ 3,436,422</u>	<u>\$ 3,639,518</u>
District's Covered Payroll	<u>\$ 1,279,822</u>	<u>\$ 1,307,664</u>	<u>\$ 1,191,892</u>	<u>\$ 1,214,620</u>	<u>\$ 1,223,045</u>	<u>\$ 1,191,151</u>	<u>\$ 1,196,610</u>	<u>\$ 1,241,919</u>	<u>\$ 1,237,529</u>	<u>\$ 1,281,731</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	213%	154%	240%	256%	279%	342%	456%	331%	278%	284%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

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

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
Last Ten' Fiscal Years ***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 228,009	\$ 198,685	\$ 192,134	\$ 168,176	\$ 172,134	\$ 161,915	\$ 163,800	\$ 157,666	\$ 151,310	\$ 163,816
Contributions in Relation to the Contractually Required Contributions	<u>228,009</u>	<u>198,685</u>	<u>192,134</u>	<u>168,176</u>	<u>172,134</u>	<u>161,915</u>	<u>163,800</u>	<u>157,666</u>	<u>151,310</u>	<u>163,816</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ <u>1,367,441</u>	\$ <u>1,279,822</u>	\$ <u>1,307,664</u>	\$ <u>1,191,892</u>	\$ <u>1,214,620</u>	\$ <u>1,223,045</u>	\$ <u>1,193,151</u>	\$ <u>1,196,610</u>	\$ <u>1,241,919</u>	\$ <u>1,237,529</u>
Contributions as a Percentage of Covered Payroll	16.67%	15.52%	14.69%	14.11%	14.17%	13.24%	13.73%	13.18%	12.18%	13.24%

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

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

**TEACHERS PENSION AND ANNUITY FUND
Last Ten Fiscal Years ***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	-	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 38,278,848</u>	<u>\$ 35,835,607</u>	<u>\$ 49,141,865</u>	<u>\$ 46,235,245</u>	<u>\$ 46,251,585</u>	<u>\$ 50,175,745</u>	<u>\$ 57,796,722</u>	<u>\$ 46,958,903</u>	<u>\$ 40,013,154</u>	<u>\$ 37,858,805</u>
Total	<u>\$ 38,278,848</u>	<u>\$ 35,835,607</u>	<u>\$ 49,141,865</u>	<u>\$ 46,235,245</u>	<u>\$ 46,251,585</u>	<u>\$ 50,175,745</u>	<u>\$ 57,796,722</u>	<u>\$ 46,958,903</u>	<u>\$ 40,013,154</u>	<u>\$ 37,858,805</u>
District's Covered Payroll	<u>\$ 8,844,875</u>	<u>\$ 8,546,266</u>	<u>\$ 8,177,950</u>	<u>\$ 8,022,417</u>	<u>\$ 7,768,902</u>	<u>\$ 7,478,246</u>	<u>\$ 7,363,613</u>	<u>\$ 7,277,921</u>	<u>\$ 7,387,611</u>	<u>\$ 7,387,611</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**WALLINGTON 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, 2023**

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 4D.

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

POSTEMPLOYMENT HEALTH BENEFIT PLAN

Last Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 1,947,561	\$ 2,269,209	\$ 1,249,266	\$ 1,144,935	\$ 1,303,236	\$ 1,573,562
Interest on Total OPEB Liability	925,177	1,061,099	1,000,364	1,208,279	1,340,196	1,158,024
Differences Between Expected and Actual Experience	1,386,109	(7,598,492)	8,393,841	(4,709,139)	(4,394,847)	-
Changes of Assumptions	(9,365,160)	40,355	8,399,753	413,268	(3,498,380)	(4,825,143)
Gross Benefit Payments	(916,415)	(835,848)	(800,549)	(850,841)	(815,175)	(821,674)
Change of Benefit Terms	-	(43,538)	-	-	-	-
Contribution from the Member	29,399	27,127	24,265	25,221	28,174	30,256
Net Change in Total OPEB Liability	<u>(5,993,329)</u>	<u>(5,080,088)</u>	<u>18,266,940</u>	<u>(2,768,277)</u>	<u>(6,036,796)</u>	<u>(2,884,975)</u>
Total OPEB Liability - Beginning	<u>40,904,221</u>	<u>45,984,309</u>	<u>27,717,369</u>	<u>30,485,646</u>	<u>36,522,442</u>	<u>39,407,417</u>
Total OPEB Liability - Ending	<u>\$ 34,910,892</u>	<u>\$ 40,904,221</u>	<u>\$ 45,984,309</u>	<u>\$ 27,717,369</u>	<u>\$ 30,485,646</u>	<u>\$ 36,522,442</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>34,910,892</u>	<u>40,904,221</u>	<u>45,984,309</u>	<u>27,717,369</u>	<u>30,485,646</u>	<u>36,522,442</u>
Total OPEB Liability - Ending	<u>\$ 34,910,892</u>	<u>\$ 40,904,221</u>	<u>\$ 45,984,309</u>	<u>\$ 27,717,369</u>	<u>\$ 30,485,646</u>	<u>\$ 36,522,442</u>
District's Covered Payroll	<u>\$ 10,124,697</u>	<u>\$ 9,853,930</u>	<u>\$ 9,369,842</u>	<u>\$ 9,237,037</u>	<u>\$ 8,991,947</u>	<u>\$ 8,669,397</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

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

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

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

**WALLINGTON BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 17,016,378		\$ 17,016,378	\$ 17,016,378	
Tuition	29,470		29,470	25,352	\$ (4,118)
Capital reserve interest income	72		72	5,122	5,050
Miscellaneous	99,000	-	99,000	333,267	234,267
Total revenues - local sources	17,144,920	-	17,144,920	17,380,119	235,199
State sources:					
Extraordinary Aid	-		-	286,351	286,351
Categorical Special Education Aid	1,179,528		1,179,528	1,179,528	-
Equalization Aid	5,020,407		5,020,407	5,020,407	-
Transportation Aid	166,028		166,028	166,028	-
Security Aid	258,918		258,918	258,918	-
On-Behalf TPAF - Pension Contribution (non-budgeted)				3,106,199	3,106,199
On-Behalf TPAF - Post-Retirement Medical (non-budgeted)				815,991	815,991
On-Behalf TPAF - Long-Term Disability Insurance (non-budgeted)				1,293	1,293
Reimbursed TPAF social security contributions (non-budgeted)		-		656,813	656,813
Total - state sources	6,624,881	-	6,624,881	11,491,528	4,866,647
Federal sources:					
Medicaid Assistance	45,835	-	45,835	99,562	53,727
Total - federal sources	45,835	-	45,835	99,562	53,727
Total revenues	23,815,636		23,815,636	28,971,209	5,155,573
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	396,145	\$ (25,000)	371,145	369,790	1,355
Grades 1-5	1,769,955	80,400	1,850,355	1,849,600	755
Grades 6-8	911,157	28,850	940,007	939,890	117
Grades 9-12	1,960,505	(130,000)	1,830,505	1,830,344	161
Home Instruction:					
Salaries of teachers	20,000	(14,000)	6,000	4,763	1,237
Undistributed Instruction:					
Other salaries for instruction	229,514	85,950	315,464	311,655	3,809
General supplies	285,395	12,589	297,984	249,601	48,383
Textbooks	98,100	(3,500)	94,600	81,195	13,405
Total instruction - regular programs	5,670,771	35,289	5,706,060	5,636,838	69,222
Special Education:					
Learning and/or language disabilities:					
Salaries of teachers	438,965	(20,925)	418,040	362,301	55,739
Other salaries for instruction	439,000	38,500	477,500	438,508	38,992
General supplies	4,400		4,400	4,400	
Textbooks	6,000		6,000	6,000	
Total learning and/or language disabilities	888,365	17,575	905,940	811,209	94,731
Resource room/center:					
Salaries of teachers	665,180	300	665,480	616,948	48,532
General supplies	3,100		3,100	3,100	
Textbooks	1,800		1,800	1,798	2
Total resource room/center	670,080	300	670,380	621,846	48,534
Total special education	1,558,445	17,875	1,576,320	1,433,055	143,265

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Special Education (continued):					
Basic skills/remedial instruction:					
Salaries of teachers	\$ 375,845	\$ (35,500)	\$ 340,345	\$ 284,525	\$ 55,820
Other salaries for instruction	15,500		15,500	15,000	500
General supplies	6,000		6,000	2,353	3,647
Total Basic skills/remedial instruction	397,345	(35,500)	361,845	301,878	59,967
Bilingual education:					
Salaries of teachers	288,625	5,625	294,250	294,217	33
Purchased professional and educational services	1,500		1,500		1,500
General supplies	500		500	385	115
Total bilingual education	290,625	5,625	296,250	294,602	1,648
School - sponsored cocurricular activities:					
Salaries	65,108	2,950	68,058	67,950	108
Purchased services	35,172	(700)	34,472	15,749	18,723
General supplies	8,200		8,200	3,300	4,900
Other objects	6,500		6,500	891	5,609
Total school - sponsored cocurricular activities	114,980	2,250	117,230	87,890	29,340
School - sponsored athletics - instruction:					
Salaries	364,334	(8,000)	356,334	354,979	1,355
Purchased services	39,433	3,100	42,533	41,175	1,358
Supplies and materials	56,250		56,250	44,942	11,308
Other objects	26,477		26,477	25,073	1,404
Total school - sponsored athletics - instruction	486,494	(4,900)	481,594	466,169	15,425
Before/After School Programs - Support Svc					
Salaries	73,700	2,650	76,350	71,563	4,787
Other objects	7,500	2,783	10,283	7,312	2,971
Total before/after school programs - support svc	81,200	5,433	86,633	78,875	7,758
Summer School - Instruction:					
Salaries of teachers	13,400		13,400	6,000	7,400
Total summer school instruction	13,400	-	13,400	6,000	7,400
Other instructional programs - instruction:					
Salaries	18,625		18,625	10,850	7,775
Purchased services	1,800		1,800		1,800
General supplies	700		700		700
Total Other instructional programs - instruction	21,125		21,125	10,850	10,275
Total instruction	8,634,385	26,072	8,660,457	8,316,157	344,300

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-regular	\$ 28,202	\$ 1,180	\$ 29,382	\$ 29,382	-
Tuition to other LEAs within the state-special	2,687,168	(50,560)	2,636,608	1,931,727	\$ 704,881
Tuition to Co. Voc school Dist.- regular	385,344		385,344	246,769	138,575
Tuition to Co. Voc school Dist.- special	257,522	(6,500)	251,022	198,468	52,554
Tuition to CSSD and regional day schools	519,971	11,150	531,121	511,011	20,110
Tuition to priv school for the disabled - w/in state	918,602	(6,160)	912,442	390,207	522,235
Tuition - state facilities		4,510	4,510	4,400	110
Total undistributed instruction	4,796,809	(46,380)	4,750,429	3,311,964	1,438,465
Attendance and Social Work					
Salaries	138,805		138,805	135,406	3,399
Other Purchased Services	150		150	64	86
General supplies	800		800	800	
Total attendance and social work	139,755	-	139,755	136,270	3,485
Health services:					
Salaries	219,300	7,400	226,700	224,961	1,739
Purchased professional and technical services	35,500		35,500	21,835	13,665
Other Purchased Services	200		200		200
Supplies and Materials	7,000	200	7,200	6,747	453
Total health services	262,000	7,600	269,600	253,543	16,057
Speech, OT, PT and related services:					
Salaries	168,710	(22,550)	146,160	93,119	53,041
Supplies and Materials	1,600		1,600	1,600	
Total other support services - speech, OT, PT and related services	170,310	(22,550)	147,760	94,719	53,041
Other support services - guidance:					
Salaries of other professional staff	338,730	69,575	408,305	408,286	19
Salaries of secretarial and clerical assistants	47,000	(2,050)	44,950	44,945	5
Other Purchased Services	1,000		1,000		1,000
Supplies and Materials	38,850		38,850	35,216	3,634
Other objects	10,500		10,500	8,051	2,449
Total other support services - guidance	436,080	67,525	503,605	496,498	7,107
Other support services - child study teams:					
Salaries of other professional staff	221,165	(55,000)	166,165	164,171	1,994
Salaries of secretarial and clerical assistants	55,801		55,801	55,691	110
Other salaries	123,590	(2,000)	121,590	121,475	115
Purchased professional Educational services	30,000		30,000	13,248	16,752
Other Purchased Services	2,000		2,000		2,000
Supplies and Materials	9,100		9,100	4,086	5,014
Other objects	1,000		1,000	250	750
Total other support services - child study teams	442,656	(57,000)	385,656	358,921	26,735

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Improvement of instructional services:					
Salaries of supervisors of instruction	\$ 167,109		\$ 167,109	\$ 165,348	\$ 1,761
Salaries of other professional staff	3,400	\$ 600	4,000	3,925	75
Salaries of secretarial and clerical assistants	235,586	50	235,636	234,036	1,600
Other Purchased Services	1,700		1,700	593	1,107
Supplies and Materials	500		500		500
Total improvement of instructional services	408,295	650	408,945	403,902	5,043
Educational media services/school library:					
Salaries	227,041	8,400	235,441	231,125	4,316
Other Purchased Services	600		600		600
Supplies and Materials	157,750	(850)	156,900	138,661	18,239
Total educational media services/school library	385,391	7,550	392,941	369,786	23,155
Instructional staff training services:					
Salaries of supervisors of professional staff	25,825		25,825	25,825	
Other Purchased Services	3,000		3,000	251	2,749
Total instructional staff training services	28,825	-	28,825	26,076	2,749
Support services-general administration:					
Salaries	286,473	33,000	319,473	319,139	334
Legal Services	55,000	(14,550)	40,450	38,445	2,005
Audit Fees	35,000		35,000	30,940	4,060
Other purchased professional services	11,000	(8,100)	2,900	3,338	(438)
Purchased technical services		1,100	1,100	1,100	
Communications/telephone	64,495	(10,150)	54,345	37,131	17,214
Miscellaneous purchased services	15,900	700	16,600	15,314	1,286
General supplies	5,000		5,000	1,627	3,373
Miscellaneous expenditures	27,000	23,062	50,062	50,044	18
Total support services-general administration	499,868	25,062	524,930	497,078	27,852

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/assistant principals	\$ 428,818	\$ (1)	\$ 428,817	\$ 423,423	\$ 5,394
Salaries of other professional staff	111,527	(1,499)	110,028	110,000	28
Salaries of secretarial and clerical assistants	48,855	1,500	50,355	50,195	160
Other Purchased Services	9,460		9,460	4,758	4,702
General supplies	8,000		8,000	7,110	890
Total support services-school administration	606,660	-	606,660	595,486	11,174
Central services:					
Salaries	316,750	750	317,500	293,742	23,758
Purchased technical services	8,000		8,000	7,190	810
Miscellaneous purchased services	21,500		21,500	18,941	2,559
Supplies and Materials	6,500		6,500	4,158	2,342
Miscellaneous expenditures	16,500	(1,500)	15,000	8,992	6,008
Total central services	369,250	(750)	368,500	333,023	35,477
Administrative information technology:					
Salaries	146,876	4,350	151,226	151,137	89
Supplies and materials	5,000	850	5,850	5,830	20
Total administrative information technology	151,876	5,200	157,076	156,967	109
Required maintenance for school facilities:					
Cleaning, repair and maintenance services	368,457	500	368,957	212,037	156,920
General supplies	63,500		63,500	48,021	15,479
Total required maintenance for school facilities	431,957	500	432,457	260,058	172,399
Custodial services:					
Salaries	375,141	(1,500)	373,641	313,967	59,674
Purchased professional and technical services	35,000	206,822	241,822	205,547	36,275
Cleaning, repair and maintenance services	545,080	(133,325)	411,755	315,383	96,372
Rental of land and buildings other than lease	367,500	(6,000)	361,500	360,896	604
Insurance	209,000	16,000	225,000	224,803	197
Miscellaneous purchased services	45,000		45,000	30,964	14,036
Energy (Electricity)	390,000		390,000	309,844	80,156
Other objects	4,100		4,100	913	3,187
Total custodial services	1,970,821	81,997	2,052,818	1,762,317	290,501

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Undistributed expenditures (continued):					
Care and upkeep of grounds:					
Cleaning, repair and maintenance services	\$ 135,000	-	\$ 135,000	\$ 66,354	\$ 68,646
General supplies	3,000		3,000		3,000
Total care and upkeep of grounds	138,000	-	138,000	66,354	71,646
Security:					
Salaries	132,000		132,000	132,000	
Purchased professional and technical services	6,500	\$ (5,000)	1,500		1,500
Cleaning, Repair, and maintenance service	25,000		25,000	11,651	13,349
General supplies	7,500	(5,000)	2,500		2,500
Other objects	25,000	(20,000)	5,000		5,000
Total security	196,000	(30,000)	166,000	143,651	22,349
Student transportation services:					
Salaries for pupil transportation:					
Contracted services:					
Bet. Home & Sch. - joint agreements	72,150	15,000	87,150	80,479	6,671
Other than bet home & sch - vendors	123,334	5,114	128,448	128,448	
Special Ed Stds- joint agreements	725,000	(20,114)	704,886	610,524	94,362
Total student transportation services	920,484	-	920,484	819,451	101,033
Personal Services - Employee benefits - Unallocated:					
Social security contributions	240,000	(22,000)	218,000	217,660	340
Other retirement contrib. - PERS	220,000	8,050	228,050	228,009	41
Other retirement contrib. - regular	10,000		10,000		10,000
Unemployment Compensation	25,000		25,000		25,000
Worker's compensation	100,000	(18,050)	81,950	61,106	20,844
Health benefits	2,880,000	(109,174)	2,770,826	2,202,035	568,791
Tuition Reimbursement	22,000		22,000		22,000
Other employee benefits	36,000		36,000	18,159	17,841
Unused vacation payment to term/ret staff	60,000		60,000	49,271	10,729
Total unallocated benefits	3,593,000	(141,174)	3,451,826	2,776,240	675,586
On-behalf payments:					
TPAF - Pension Contribution (non-budgeted)				3,106,199	(3,106,199)
TPAF - Post-Retirement Medical (non-budgeted)				815,991	(815,991)
TPAF - Long-Term Disability Insurance (non-budgeted)				1,293	(1,293)
Reimbursed TPAF social security contributions (non-budgeted)				656,813	(656,813)
Total on-behalf payments				4,580,296	(4,580,296)
Total undistributed expenditures	15,948,037	(101,770)	15,846,267	17,442,600	(1,596,333)
Total expenditures - current	24,582,422	(75,698)	24,506,724	25,758,757	(1,252,033)

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5	\$ 15,000	\$ 30,000	\$ 45,000	\$ 30,000	\$ 15,000
Grades 6-8	10,000	25,000	35,000	26,533	8,467
Grades 9-12	120,000	82,174	202,174	202,174	
Undistributed expenditures:					
Support services-school administration	8,000		8,000		8,000
Support services-operation and maintenance of plant		21,259	21,259	5,856	15,403
Lease Issued - Copiers				107,075	(107,075)
Total equipment	153,000	158,433	311,433	371,638	(60,205)
Facilities acquisition and construction services:					
Architectural/Engineering Services		83,680	83,680	83,680	
Construction services	400,000	283,593	683,593	339,375	344,218
Other objects - SDA assessment	32,158		32,158	32,158	
Total facilities and construction services	432,158	367,273	799,431	455,213	344,218
Interest Deposit to Capital Reserve	72		72		72
Total expenditures - capital outlay	585,230	525,706	1,110,936	826,851	284,085
Transfer of funds to charter schools	398,815	27,600	426,415	406,163	20,252
Total expenditures	25,566,467	477,608	26,044,075	26,991,771	(947,696)
Excess (deficiency) of revenues over (under) expenditures	(1,750,831)	(477,608)	(2,228,439)	1,979,438	(4,207,877)

Wallington Board of Education
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2023

	Original Budget	Adjustments/ Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other financing sources (uses):					
Lease Issued	-	-	-	\$ 107,075	\$ 107,075
Total other financing sources (uses)	-	-	-	107,075	107,075
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	\$ (1,750,831)	\$ (477,608)	\$ (2,228,439)	2,086,513	4,314,952
Fund balances, July 1	6,900,668		6,900,668	6,900,668	
Fund balances, June 30	\$ 5,149,837	\$ (477,608)	\$ 4,672,229	\$ 8,987,181	\$ 4,314,952
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (1,750,831)		\$ (1,750,831)	\$ 3,064,121	\$ 4,814,952
Budgeted increase in capital reserve	-	-		(500,000)	(500,000)
Adjustment for prior year encumbrances		\$ (477,608)	(477,608)	(477,608)	
Total	\$ (1,750,831)	\$ (477,608)	\$ (2,228,439)	\$ 2,086,513	\$ 4,314,952
Recapitulation of fund balance:					
Restricted Fund Balance:					
Excess surplus restricted for subsequent years expenditures				\$ 2,933,695	
Excess surplus - current year				3,643,694	
Capital reserve				1,154,413	
Unemployment reserve				131,168	
Assigned to:					
Year end encumbrances				391,772	
Unassigned fund balance				732,439	
				8,987,181	-
Reconciliation to Governmental Funds Statements (GAAP):					
Last state aid payments not recognized on GAAP basis				(634,739)	
Fund balance per Governmental Funds (GAAP)				\$ 8,352,442	

Wallington Board of Education
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
Budgetary Basis

Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources		\$ 106,612	\$ 106,612	\$ 106,612	-
Federal sources	\$ 2,410,074	95,863	2,505,937	1,587,042	\$ (918,895)
Other sources	70,000	132,000	202,000	181,751	(20,249)
Total revenues	2,480,074	334,475	2,814,549	1,875,405	(939,144)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	983,759	(706,080)	277,679	188,052	89,627
Purchased professional educational services	16,004	1,110	17,114	17,064	50
Purchased professional and technical services	123,302	2,000	125,302	72,749	52,553
Tuition	271,000	178,594	449,594	449,594	-
General supplies	243,961	70,793	314,754	116,813	197,941
Other objects	776	900	1,676	660	1,016
Student Activities	30,000	130,000	160,000	159,003	997
Total instruction	1,668,802	(322,683)	1,346,119	1,003,935	342,184
Support services:					
Salaries of other professional staff	116,265	61,450	177,715	98,721	78,994
Employee benefits	73,277	81,147	154,424	31,165	123,259
Purchased professional and technical services	113,869	274,600	388,469	266,565	121,904
Purchased professional-educational services	35,020	(8,765)	26,255	16,196	10,059
Other purchased professional services	86,665	145,305	231,970	42,982	188,988
Supplies and materials	40,247	3,469	43,716	21,256	22,460
Other objects	185,000	-	185,000	177,885	7,115
Scholarships	40,000	-	40,000	29,528	10,472
Total support services	690,343	557,206	1,247,549	684,298	563,251
Capital outlay:					
Facilities acquisition and construction services:					
Construction services	24,803	75,149	99,952	99,952	-
Instructional equipment	96,126	24,803	120,929	96,000	24,929
Total facilities acquisition and construction services	120,929	99,952	220,881	195,952	24,929
Total expenditures	2,480,074	334,475	2,814,549	1,884,185	930,364
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	(8,780)	\$ (8,780)
Fund Balance, July 1				144,985	
Fund Balance, June 30				<u>\$ 136,205</u>	
Recapitulation:					
Restricted:					
Scholarships				\$ 28,149	
Student Activities				108,056	
Total Fund Balance				<u>\$ 136,205</u>	

Wallington Board of Education
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2023

	General Fund	Special Revenue Fund
	<hr/>	<hr/>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 28,971,209	\$1,875,405
 Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current year		-
Prior year		-
General state aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	568,164	
Current year	<u>(634,739)</u>	
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	 <u>\$ 28,904,634</u>	 <u>\$1,875,405</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 26,991,771	\$1,884,185
 Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		-
Current year		<u>-</u>
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	 <u>\$ 26,991,771</u>	 <u>\$1,884,185</u>

Other Supplementary Information

Special Revenue Fund

Wallington Board of Education
Special Revenue Fund

Combining Schedule of Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2023

	L.D.E.A.					Title II A	Title III	Title III Immigrant	Title IV	CRRSA Learning Acceleration	ACSERS	Subtotal Page 1
	Title I, Part A	Part B	Preschool	ARP Basic	ARP Preschool							
Revenues:												
Federal sources	\$ 166,151	\$ 277,652	\$ 8,165	\$ 18,749	\$ 4,991	\$ 32,145	\$ 16,579	\$ 3,830	\$ 17,064	\$ 1,598	\$ 163,777	\$ 710,701
State sources												
Other sources												
Total revenues	<u>\$ 166,151</u>	<u>\$ 277,652</u>	<u>\$ 8,165</u>	<u>\$ 18,749</u>	<u>\$ 4,991</u>	<u>\$ 32,145</u>	<u>\$ 16,579</u>	<u>\$ 3,830</u>	<u>\$ 17,064</u>	<u>\$ 1,598</u>	<u>\$ 163,777</u>	<u>\$ 710,701</u>
Expenditures:												
Instruction:												
Salaries of teachers	\$ 154,000						\$ 9,000					\$ 163,000
Purchased professional-educational services									\$ 17,064			17,064
Purchased professional and technical services											\$ 163,777	449,594
Tuition		\$ 277,652	\$ 8,165									39,008
General supplies	9,201			\$ 18,749	\$ 4,991		4,469			\$ 1,598		660
Other objects							660					660
Student activities												
Total instruction	<u>163,201</u>	<u>277,652</u>	<u>8,165</u>	<u>18,749</u>	<u>4,991</u>	<u>-</u>	<u>14,129</u>	<u>-</u>	<u>17,064</u>	<u>1,598</u>	<u>163,777</u>	<u>669,326</u>
Support services:												
Salaries of other professional staff	2,950					\$ 5,890						8,840
Employee benefits												-
Purchased professional and technical services							600					600
Purchased professional-educational services						16,196						16,196
Other purchased services						10,059		\$ 3,440				13,499
Supplies and materials							1,850	390				2,240
Other objects												-
Scholarships awarded												-
Total support services	<u>2,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,145</u>	<u>2,450</u>	<u>3,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,375</u>
Facilities acquisition and construction services:												
Construction Services												-
Instructional equipment												-
Total facilities acquisition and construction services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 166,151</u>	<u>\$ 277,652</u>	<u>\$ 8,165</u>	<u>\$ 18,749</u>	<u>\$ 4,991</u>	<u>\$ 32,145</u>	<u>\$ 16,579</u>	<u>\$ 3,830</u>	<u>\$ 17,064</u>	<u>\$ 1,598</u>	<u>\$ 163,777</u>	<u>\$ 710,701</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1												
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wallington Board of Education
Special Revenue Fund

Combining Schedule of Revenues and Expenditures – Budgetary Basis

Year ended June 30, 2023

	ARP - ESSER Homeless Children and Youth	CRRSA ESSER II	ARP - ESSER Accelerated Learning Coaching and Educator Support	Stabilization Fund Mental Health CRRSA	ARP- ESSER	ARP-Esser Evidence Based Beyond the School Day Activities	Emergent Needs and Capital Maintenance in School Districts	Security Grant	Climate Awareness	BCUA Environmental Awareness	Scholarship Fund	Student Activity / Athletic Fund	Page 1 Totals	Total
Revenues:														
Federal sources	\$ 1,063	\$ 135,073	\$ 47,326	\$ 6,700	\$ 682,829	\$ 3,350							\$ 710,701	\$ 1,587,042
State sources							\$ 29,394	\$ 70,558	\$ 6,660				-	106,612
Other sources										\$ 2,000	\$ 29,236	\$ 150,515	-	181,751
Total revenues	\$ 1,063	\$ 135,073	\$ 47,326	\$ 6,700	\$ 682,829	\$ 3,350	\$ 29,394	\$ 70,558	\$ 6,660	\$ 2,000	\$ 29,236	\$ 150,515	\$ 710,701	\$ 1,875,405
Expenditures:														
Instruction:														
Salaries of teachers		\$ 9,858			\$ 15,194								\$ 163,000	\$ 188,052
Purchased professional-educational services													17,064	17,064
Purchased professional and technical services		8,540			64,209								-	72,749
Tuition													449,594	449,594
General supplies		15,106			54,039				\$ 6,660	\$ 2,000			39,008	116,813
Other objects													660	660
Student activities													\$ 159,003	159,003
Total instruction	-	33,504	-	-	133,442	-	-	-	6,660	2,000	-	\$ 159,003	669,326	1,003,935
Support services:														
Salaries of other professional staff		37,405	\$ 47,326	\$ 1,800		\$ 3,350							8,840	98,721
Employee benefits		31,165											-	31,165
Purchased professional and technical services		27,425		4,900	233,640								600	266,565
Purchased professional-educational services													16,196	16,196
Other purchased services					29,483								13,499	42,982
Supplies and materials	\$ 1,063	5,574			12,379								2,240	21,256
Other objects					177,885								-	177,885
Scholarships awarded													\$ 29,528	29,528
Total support services	1,063	101,569	47,326	6,700	453,387	3,350	-	-	-	-	29,528	-	41,375	684,298
Facilities acquisition and construction services:														
Construction Services							\$ 29,394	\$ 70,558						99,952
Instructional equipment					96,000									96,000
Total facilities acquisition and construction services	-	-	-	-	96,000	-	29,394	70,558	-	-	-	-	-	195,952
Total expenditures	\$ 1,063	\$ 135,073	\$ 47,326	\$ 6,700	\$ 682,829	\$ 3,350	\$ 29,394	\$ 70,558	\$ 6,660	\$ 2,000	\$ 29,528	\$ 159,003	\$ 710,701	\$ 1,884,185
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(292)	(8,488)	-	(8,780)
Fund Balance, July 1											28,441	116,544	-	144,985
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,149	\$ 108,056	\$ -	\$ 136,205

Capital Projects Fund

WALLINGTON BOARD OF EDUCATION
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Issue/Project Title</u>	<u>Approval Date</u>	<u>Appropriations</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2023</u>
				<u>Prior Year</u>	<u>Current Year</u>	
2022 Referndum - Various Improvements	10/4/2022	\$ 7,278,530	\$ 7,278,530	\$ -	\$ 125,028	\$ 7,153,502
		<u>\$ 7,278,530</u>	<u>\$ 7,278,530</u>	<u>\$ -</u>	<u>\$ 125,028</u>	7,153,502
						Less: Unfunded Authorizations <u>7,278,530</u>
						Fund Balance Deficit (GAAP Basis) June 30, 2023 <u>\$ (125,028)</u>

**WALLINGTON 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, 2023**

REVENUES

Revenues

Bond Proceeds	\$ <u> -</u>
---------------	-------------------------------

Total Revenues	<u> -</u>
----------------	----------------------------

EXPENDITURES

Other Purchased Professional and Technical Services	39,426
-----------------------------------------------------	--------

Construction Services	81,702
-----------------------	--------

Other Objects	<u> 3,900</u>
---------------	--------------------------------

Total Expenditures	<u> 125,028</u>
--------------------	----------------------------------

Deficiency of Revenues Under Expenditures	(125,028)
-------------------------------------------	-----------

Fund Balance, July 1, 2022	<u> -</u>
----------------------------	----------------------------

Fund Balance, June 30, 2023 (Budgetary Basis)	<u>\$ (125,028)</u>
-----------------------------------------------	---------------------

Fund Balance- June 30, 2023 (GAAP Basis)	<u><u>\$ (125,028)</u></u>
------------------------------------------	----------------------------

**WALLINGTON BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS
2022 REFERENDUM - VARIOUS IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	-	-	-	\$ 7,278,530
	<hr/>	<hr/>	<hr/>	
Total Revenues	-	-	-	7,278,530
	<hr/>	<hr/>	<hr/>	
Expenditures and Other Financing Uses				
Other Purchased Professional and Technical Services		\$ 39,426	\$ 39,426	692,909
Construction Services	-	81,702	81,702	6,461,558
Other Objects	-	3,900	3,900	124,063
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	125,028	125,028	7,278,530
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ (125,028)	\$ (125,028)	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>

Additional Project Information:

Project Numbers:	N/A
Grant Date	N/A
Bond Authorization Date	10/05/22
Bonds Authorized	\$ 7,278,530
Bonds Issued	\$ -
Original Authorized Cost	\$ 7,278,530
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 7,278,530
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	2%
Original Target Completion Date	06/30/24
Revised Target Completion Date	06/30/24

Long-Term Debt

Wallington Board of Education
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2022	Retired	Balance June 30, 2023
			Date	Amount				
2014 School Bonds	8/15/2014	\$ 2,617,000	8/15/2023	\$ 165,000	3.000 %	\$ 1,782,000	\$ 155,000	\$ 1,627,000
			8/15/2024	170,000	3.000			
			8/15/2025	260,000	3.000			
			8/15/2026	260,000	3.000			
			8/15/2027	260,000	3.000			
			8/15/2028	260,000	3.000			
			8/15/2029	252,000	3.000			
2015 School Refunding Bonds	5/15/2015	2,060,000	5/15/2024	220,000	4.000	665,000	225,000	440,000
			5/15/2025	220,000	4.000			
						<u>\$ 2,447,000</u>	<u>\$ 380,000</u>	<u>\$ 2,067,000</u>

Wallington Board of Education
Long-Term Debt

Schedule of Obligations Under Leases

Year ended June 30, 2023

	Balance			Balance
	June 30, 2022	Issued	Retired	June 30, 2023
Archdiocese of Newark	\$ 777,300		\$352,917	\$ 424,383
Municipal Capital Finance	26,836		22,906	3,930
Municipal Capital Finance		\$ 107,075	9,455	97,620
Total Leases Payable	<u>\$ 804,136</u>	<u>\$ 107,075</u>	<u>\$385,278</u>	<u>\$ 525,933</u>

Wallington Board of Education
Debt Service Fund

Budgetary Comparison Schedule
Year ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 457,154	-	\$ 457,154	\$ 457,154	-
Total revenues	457,154	-	457,154	457,154	-
Expenditures:					
Regular debt service:					
Redemption of principal	380,000	-	380,000	380,000	-
Interest on bonds	77,154	-	77,154	77,154	-
Total expenditures	457,154	-	457,154	457,154	-
(Deficiency) of revenues (under) expenditures	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

Statistical Section (Unaudited)

Other Information

Statistical Section

Unaudited

This part of the Annual Comprehensive 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 District's overall financial condition.

Contents

Financial Trends

These schedules contain historical financial information that illustrates trends allowing the reader to understand how the District's financial performance and financial position has changed over time.

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	2014	2015	2016	2017	Fiscal Year Ended June 30,		2020	2021	2022	2023
	Restated				2018	2019	Restated		Restated	
Governmental Activities										
Net Investment in Capital Assets	\$ 4,632,377	\$ 7,732,294	\$ 7,718,866	\$ 7,574,665	\$ 7,289,240	\$ 6,610,202	\$ 6,718,235	\$ 6,824,355	\$ 7,072,198	\$ 7,414,176
Restricted	276,961	152,367	147,290	147,292	147,524	417,644	419,981	405,721	900,444	1,421,786
Unrestricted	<u>(2,886,071)</u>	<u>(2,622,034)</u>	<u>(2,725,364)</u>	<u>(3,173,893)</u>	<u>(2,936,542)</u>	<u>(1,934,413)</u>	<u>(1,260,052)</u>	<u>158,430</u>	<u>1,836,855</u>	<u>3,799,144</u>
Total Governmental Activities Net Assets	<u>\$ 2,023,267</u>	<u>\$ 5,262,627</u>	<u>\$ 5,140,792</u>	<u>\$ 4,548,064</u>	<u>\$ 4,500,222</u>	<u>\$ 5,093,433</u>	<u>\$ 5,878,164</u>	<u>\$ 7,388,506</u>	<u>\$ 9,809,497</u>	<u>\$ 12,635,106</u>
Business-Type Activities										
Net Investments in Capital Assets	\$ 7,037	\$ 5,521	\$ 18,056	\$ 13,751	\$ 9,446	\$ 5,141	\$ 1,284	\$ -	\$ 12,603	\$ 19,399
Unrestricted	<u>41,767</u>	<u>41,849</u>	<u>26,831</u>	<u>30,448</u>	<u>34,752</u>	<u>41,447</u>	<u>42,869</u>	<u>39,271</u>	<u>101,022</u>	<u>120,944</u>
Total Business-Type Activities Net Assets	<u>\$ 48,804</u>	<u>\$ 47,370</u>	<u>\$ 44,887</u>	<u>\$ 44,199</u>	<u>\$ 44,198</u>	<u>\$ 46,588</u>	<u>\$ 44,153</u>	<u>\$ 39,271</u>	<u>\$ 113,625</u>	<u>\$ 140,343</u>
District-Wide										
Net Investments in Capital Assets	\$ 4,639,414	\$ 7,737,815	\$ 7,736,922	\$ 7,588,416	\$ 7,298,686	\$ 6,615,343	\$ 6,719,519	\$ 6,824,355	\$ 7,084,801	\$ 7,433,575
Restricted	276,961	152,367	147,290	147,292	147,524	417,644	419,981	405,721	900,444	1,421,786
Unrestricted	<u>(2,844,304)</u>	<u>(2,580,185)</u>	<u>(2,698,533)</u>	<u>(3,143,445)</u>	<u>(2,901,790)</u>	<u>(1,892,966)</u>	<u>(1,217,183)</u>	<u>197,701</u>	<u>1,937,877</u>	<u>3,920,088</u>
Total District Net Position	<u>\$ 2,072,071</u>	<u>\$ 5,309,997</u>	<u>\$ 5,185,679</u>	<u>\$ 4,592,263</u>	<u>\$ 4,544,420</u>	<u>\$ 5,140,021</u>	<u>\$ 5,922,317</u>	<u>\$ 7,427,777</u>	<u>\$ 9,923,122</u>	<u>\$ 12,775,449</u>

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

Note 3 - Net Position at June 30, 2022 is restated to reflect adjustments to capital assets.

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 6,579,762	\$ 7,887,718	\$ 8,969,996	\$ 9,843,999	\$ 10,103,408	\$ 9,209,094	\$ 9,133,929	\$ 10,667,546	\$ 9,580,432	\$ 9,807,279
Special Education	4,126,054	4,538,128	5,112,215	5,806,153	5,875,529	5,877,791	6,127,085	6,060,932	5,638,243	5,544,712
Other Instruction	924,120	1,068,931	1,168,051	1,237,542	1,300,013	1,277,039	1,318,362	1,372,693	1,403,294	1,193,391
School Sponsored Activities And Athletics	705,709	856,039	984,790	1,073,480	1,085,021	1,027,640	1,015,024	1,106,851	969,750	927,884
Support Services:										
Student and Instruction Related Services	2,438,693	2,694,185	2,789,561	3,343,503	3,413,413	3,175,159	2,946,316	3,458,920	3,046,721	2,956,824
School Administration Services	720,501	797,674	844,888	922,209	916,547	773,645	586,207	663,932	637,592	658,705
General Administration	575,423	645,645	636,459	633,905	671,486	677,874	889,001	1,018,762	906,969	853,699
Plant Operations And Maintenance	2,124,910	2,374,084	2,411,845	2,420,406	2,528,632	2,856,407	2,579,901	2,973,696	3,717,456	3,208,879
Pupil Transportation	455,053	357,935	534,510	643,374	675,383	615,476	727,500	564,185	786,217	819,451
Central Services	612,699	626,560	747,760	839,619	868,726	804,906	800,233	880,610	732,878	680,425
Interest On Long-Term Debt	108,278	121,478	123,546	110,672	106,116	98,468	90,581	82,455	74,064	68,347
Total Governmental Activities Expenses	19,371,202	21,968,377	24,323,621	26,874,862	27,544,274	26,393,499	26,214,139	28,850,582	27,493,616	26,719,596
Business-Type Activities:										
Food Service	135,352	144,807	150,177	139,702	156,679	143,368	110,099	114,331	269,602	231,153
Total Business-Type Activities Expense	135,352	144,807	150,177	139,702	156,679	143,368	110,099	114,331	269,602	231,153
Total District Expenses	\$ 19,506,554	\$ 22,113,184	\$ 24,473,798	\$ 27,014,564	\$ 27,700,953	\$ 26,536,867	\$ 26,324,238	\$ 28,964,913	\$ 27,763,218	\$ 26,950,749
Program Revenues										
Governmental Activities:										
Charges For Services	\$ 113,690	\$ 148,178	\$ 180,005	\$ 180,725	\$ 171,984	\$ 186,635	\$ 175,973	\$ 101,667	\$ 29,677	\$ 25,352
Operating Grants And Contributions	2,994,999	4,889,624	5,722,288	7,316,348	7,979,825	6,912,898	6,326,882	8,992,235	7,528,501	6,436,673
Capital Grants And Contributions	225,955	3,489,534	381,801	253,590	-	-	-	-	567,071	315,803
Total Governmental Activities Program Revenues	3,334,644	8,527,336	6,284,094	7,750,663	8,151,809	7,099,533	6,502,855	9,093,902	8,125,249	6,777,828
Business-Type Activities:										
Charges For Services										
Food Service	21,552	23,034	22,210	20,455	28,637	26,318	21,406	-	-	19,944
Operating Grants And Contributions	112,762	120,339	117,848	118,559	128,041	119,440	86,258	109,449	343,956	237,927
Total Business Type Activities Program Revenues	134,314	143,373	140,058	139,014	156,678	145,758	107,664	109,449	343,956	257,871
Total District Program Revenues	\$ 3,468,958	\$ 8,670,709	\$ 6,424,152	\$ 7,889,677	\$ 8,308,487	\$ 7,245,291	\$ 6,610,519	\$ 9,203,351	\$ 8,469,205	\$ 7,035,699
Net (Expense)/Revenue										
Governmental Activities	\$ (16,036,558)	\$ (13,441,041)	\$ (18,039,527)	\$ (19,124,199)	\$ (19,392,465)	\$ (19,293,966)	\$ (19,711,284)	\$ (19,756,680)	\$ (19,368,367)	\$ (19,941,768)
Business-Type Activities	(1,038)	(1,434)	(10,119)	(688)	(1)	2,390	(2,435)	(4,882)	74,354	26,718
Total District-Wide Net Expense	\$ (16,037,596)	\$ (13,442,475)	\$ (18,049,646)	\$ (19,124,887)	\$ (19,392,466)	\$ (19,291,576)	\$ (19,713,719)	\$ (19,761,562)	\$ (19,294,013)	\$ (19,915,050)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 13,616,363	\$ 14,078,890	\$ 15,247,472	\$ 15,691,413	\$ 16,005,241	\$ 16,005,241	\$ 16,280,347	\$ 16,605,353	\$ 16,760,360	\$ 17,016,378
Taxes Levied For Debt Service	312,763	278,657	352,220	456,249	458,046	462,700	187,594	460,847	459,345	457,154
Unrestricted State & Federal Aid	2,244,933	2,278,096	2,284,887	2,298,274	2,726,276	3,303,972	3,624,760	3,779,208	4,332,462	4,955,456
State Restricted	2,283	-	-	-	-	-	-	-	-	-
Interest Earned	53	1,368	25	388	5,403	25,897	25,877	5,750	93	119,763
Miscellaneous Income	39,489	43,390	40,724	85,147	149,657	89,367	106,518	415,864	175,053	218,626
Transfers	-	-	(7,636)	-	-	-	-	-	-	-
Total Governmental Activities	16,215,884	16,680,401	17,917,692	18,531,471	19,344,623	19,887,177	20,225,096	21,267,022	21,727,313	22,767,377
Business-Type Activities:										
Transfers	-	-	7,636	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	7,636	-	-	-	-	-	-	-
Total District-Wide	\$ 16,215,884	\$ 16,680,401	\$ 17,925,328	\$ 18,531,471	\$ 19,344,623	\$ 19,887,177	\$ 20,225,096	\$ 21,267,022	\$ 21,727,313	\$ 22,767,377
Change in Net Position										
Governmental Activities	\$ 179,326	\$ 3,239,360	\$ (121,835)	\$ (592,728)	\$ (47,842)	\$ 593,211	\$ 513,812	\$ 1,510,342	\$ 2,358,946	\$ 2,825,609
Business-Type Activities	(1,038)	(1,434)	(2,483)	(688)	(1)	2,390	(2,435)	(4,882)	74,354	26,718
Total District	\$ 178,288	\$ 3,237,926	\$ (124,318)	\$ (593,416)	\$ (47,843)	\$ 595,601	\$ 511,377	\$ 1,505,460	\$ 2,433,300	\$ 2,852,327

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

	2014	2015	2016	2017	Fiscal Year Ended June 30,		2020	2021	2022	2023
					2018	2019				
							Restated			
General Fund										
Restricted	\$ 1,018,653	\$ 1,385,722	\$ 1,679,272	\$ 1,444,588	\$ 1,754,366	\$ 2,337,549	\$ 3,055,255	\$ 3,698,196	\$ 5,436,961	\$ 7,862,970
Committed	87,331			85,727		509,850	151,390	578,069	-	-
Assigned	331,224	382,776	85,926	152,039	297,667	172,697	483,876	331,900	480,632	391,772
Unassigned	<u>56,442</u>	<u>(62,710)</u>	<u>(87,429)</u>	<u>(82,903)</u>	<u>(144,311)</u>	<u>(235,889)</u>	<u>(261,043)</u>	<u>116,828</u>	<u>414,911</u>	<u>97,700</u>
Total General Fund	<u>\$ 1,493,650</u>	<u>\$ 1,705,788</u>	<u>\$ 1,677,769</u>	<u>\$ 1,599,451</u>	<u>\$ 1,907,722</u>	<u>\$ 2,784,207</u>	<u>\$ 3,429,478</u>	<u>\$ 4,724,993</u>	<u>\$ 6,332,504</u>	<u>\$ 8,352,442</u>
All Other Governmental Funds										
Restricted	\$ 2	\$ 1,151,353	\$ 567,104	\$ 269,306	\$ 269,304	\$ 269,307	\$ 152,624	\$ 150,355	\$ 144,985	\$ 136,205
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,028)</u>
Total All Other Governmental Funds	<u>\$ 2</u>	<u>\$ 1,151,353</u>	<u>\$ 567,104</u>	<u>\$ 269,306</u>	<u>\$ 269,304</u>	<u>\$ 269,307</u>	<u>\$ 152,624</u>	<u>\$ 150,355</u>	<u>\$ 144,985</u>	<u>\$ 11,177</u>

Note 1 - Fund Balances at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 13,929,126	\$ 14,357,547	\$ 15,599,692	\$ 16,147,662	\$ 16,463,287	\$ 16,467,941	\$ 16,467,941	\$ 17,066,200	\$ 17,219,705	\$ 17,473,532
Tuition from Other LEAs Within State							16,138	32,104	29,677	25,352
Interest Earned	53	1,368	25	388	5,403	25,897	721	140	93	5,122
Miscellaneous	384,384	196,818	228,847	267,872	324,508	278,002	293,359	524,899	347,792	515,018
State Sources	4,666,274	5,717,448	5,465,733	5,761,965	6,156,977	7,834,642	8,341,033	9,197,138	11,177,248	11,531,565
Federal Sources	570,691	562,063	606,096	598,691	649,448	611,078	605,673	1,102,660	1,657,065	1,686,604
Total Revenue	19,550,528	20,835,244	21,900,393	22,776,578	23,599,623	25,217,560	25,724,865	27,923,141	30,431,580	31,237,193
Expenditures										
Instruction										
Regular Instruction	6,598,901	6,823,229	7,629,447	7,790,176	8,006,276	8,286,910	8,591,862	9,416,264	10,083,973	10,820,135
Special Education Instruction	4,130,095	4,338,755	4,841,427	5,350,793	5,431,831	5,689,058	6,036,043	5,767,281	5,775,958	5,803,604
Other Instruction	927,205	951,623	1,020,660	1,021,447	1,067,537	1,168,555	1,249,025	1,230,582	1,479,317	1,312,060
School Sponsored Activities and Athletics	708,639	755,386	863,188	892,026	897,091	944,737	965,198	998,876	1,014,520	1,013,063
Support Services:										
Student and Inst. Related Services	2,432,185	2,490,780	2,467,282	2,755,958	2,783,359	2,924,022	2,840,704	3,109,205	3,206,591	3,281,537
General Administration	576,998	522,303	586,870	549,699	572,524	639,216	569,513	609,160	665,327	714,899
School Administration Services	719,233	727,548	750,658	760,075	749,551	706,077	846,273	901,471	960,677	956,766
Plant Operations And Maintenance	1,728,063	1,835,498	1,807,805	1,649,333	1,753,945	2,117,380	1,869,559	2,177,500	778,633	761,973
Pupil Transportation	455,053	357,935	534,510	643,374	675,383	615,476	727,500	564,185	2,506,165	2,054,958
Central Services	615,305	623,049	669,775	698,434	719,306	748,207	780,407	795,077	786,217	819,451
Capital Outlay	406,187	4,981,559	990,449	585,131	176,503	38,737	534,215	599,446	747,732	1,073,867
Debt Service:										
Principal	229,707	201,555	190,246	315,000	325,000	340,000	345,000	360,000	734,981	765,278
Interest and Other Charges	109,983	72,322	182,708	141,248	133,048	122,697	111,897	100,848	89,348	80,547
Cost of Issuance on Refunding	-	62,101	-	-	-	-	-	-	-	-
Total Expenditures	19,637,554	24,743,643	22,535,025	23,152,694	23,291,354	24,341,072	25,467,196	26,629,895	28,829,439	29,458,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,026)	(3,908,399)	(634,632)	(376,116)	308,269	876,488	257,669	1,293,246	1,602,141	1,779,055
Other Financing Sources (Uses)										
Bond Proceeds		2,617,000								
Payments of Refunding Escrow Agent		(2,248,616)								
Refunding Bond Proceeds		2,060,000								
Premium on Issuance of Refunding		222,417								
Insurance Recovery Related to Capital Assets		2,621,087	30,000							
Lease Proceeds										107,075
Transfers In	89,090	959	3,711			269,304			-	-
Transfers Out	(89,090)	(959)	(11,347)	-	-	(269,304)	-	-	-	-
Total Other Financing Sources (Uses)	-	5,271,888	22,364	-	-	-	-	-	-	107,075
Net Change in Fund Balances	\$ (87,026)	\$ 1,363,489	\$ (612,268)	\$ (376,116)	\$ 308,269	\$ 876,488	\$ 257,669	\$ 1,293,246	\$ 1,602,141	\$ 1,886,130
Debt Service as a Percentage of Noncapital Expenditures	1.77%	1.70%	1.73%	2.02%	1.98%	1.90%	1.83%	1.77%	2.94%	2.98%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Total	Interest on Investments	After School Program	Tuition	Tuition Refunds	Prior Year Payables Adjustment	Miscellaneous
2014	\$ 153,232	\$ 53	\$ 113,690			\$ 5,035	\$ 34,454
2015	191,594	26	148,178			11,774	31,616
2016	220,754	25	180,005			19,189	21,535
2017	266,260	388	180,725			67,631	17,516
2018	327,044	5,403	171,984			42,271	107,386
2019	301,899	25,897	186,635			65,504	23,863
2020	308,368	25,877	145,911	\$ 16,138		119,458	984
2021	453,718	5,750		32,104		316,383	99,481
2022	204,823	4,358		29,677		-	170,788
2023	363,741	119,763		25,352		-	218,626

Wallington Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate a
2014	\$ 5,569,900	\$ 674,055,600	\$ 136,425,500	\$ 49,286,100	\$ 81,398,700	\$ 946,735,800	\$ 1,549,102	\$ 948,284,902	\$ 1,001,647,136	\$ 1.483
2015	6,229,100	671,310,500	132,900,200	49,336,100	81,632,500	941,408,400	1,730,632	943,139,032	962,087,386	1.579
2016	5,589,900	674,162,200	134,621,500	49,159,300	81,478,000	945,010,900	1,591,404	946,602,304	970,158,817	1.695
2017	5,464,000	674,337,800	137,183,500	49,506,000	81,408,300	947,899,600	1,582,048	949,481,648	993,172,634	1.718
2018	5,319,000	677,665,000	137,034,600	49,869,200	81,408,300	951,296,100	1,476,263	952,772,363	1,057,980,753	1.727
2019	5,339,200	680,350,000	130,709,000	49,679,500	90,219,200	956,296,900	1,430,754	957,727,654	1,099,853,048	1.721
2020	21,458,700	681,170,400	115,060,000	49,760,500	94,286,400	961,736,000	1,380,548	963,116,548	1,161,924,276	1.741
2021	21,934,800	684,180,600	122,033,300	48,877,600	86,812,800	963,839,100	1,332,834	965,171,934	1,222,071,153	1.777
2022	21,589,500	686,774,800	119,249,100	48,877,600	86,812,800	963,303,800	1,239,999	964,543,799	1,321,154,628	1.799
2023	21,596,600	688,724,500	121,656,100	48,877,600	84,603,200	965,458,000	1,172,958	966,630,958	1,403,897,371	1.823

Source: County Abstract of Ratables

Wallington Board of Education
Property Tax Rates - Direct and Overlapping Governments
Per \$100 of Assessed Valuation
Last Ten Years
Unaudited

Assessment Year	Total	Wallington School District	Walington Borough (A)	Bergen County
2014	\$ 2.596	\$ 1.483	\$ 0.878	\$ 0.235
2015	2.736	1.579	0.912	0.245
2016	2.858	1.695	0.912	0.251
2017	2.915	1.718	0.935	0.262
2018	2.952	1.727	0.953	0.272
2019	2.987	1.721	0.987	0.279
2020	3.085	1.741	1.044	0.300
2021	3.149	1.777	1.053	0.319
2022	3.204	1.799	1.077	0.328
2023	3.272	1.823	1.102	0.347

Note: **(A)** Includes Library tax

Source: Tax Duplicate

**Wallington Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	<u>2023</u>		Taxpayer	<u>2014</u>	
	Taxable Assessed Valuation	% of Total District Net Assessed Valuation		Taxable Assessed Valuation	% of Total District Net Assessed Valuation
Mt Pleasant Village Investments LLC	\$ 26,500,000	2.74%	INFORMATION NOT AVAILABLE		
Jasontown APT LLC	21,628,600	2.24%			
Wallington Plaza LLC	21,338,300	2.21%			
Jasontown II Associates	19,972,000	2.07%			
520 Main Ave Wallington LLC NJ	16,895,600	1.75%			
PS Atlantic Coast LLC	8,119,200	0.84%			
Jersey Developemnt Street LLC	7,982,200	0.83%			
Parkway Realty LLC	5,700,000	0.59%			
New Wallington Home LLC	5,592,500	0.58%			
480 Main Ave. Associates LLC	5,500,000	0.57%			
	<u>\$ 139,228,400</u>	<u>14.40%</u>		<u>\$ -</u>	<u>13.08%</u>

Source: Municipal Tax Assessor

**Wallington Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30	Local School District Taxes Levied for the Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years
		Amount	Percentage Of Levy	
2014	\$ 13,929,126	\$ 13,929,126	100%	N/A
2015	14,357,547	14,357,547	100%	N/A
2016	15,599,692	15,599,692	100%	N/A
2017	16,147,662	16,147,662	100%	N/A
2018	16,463,287	16,463,287	100%	N/A
2019	16,467,941	16,467,941	100%	N/A
2020	16,467,941	16,467,941	100%	N/A
2021	17,066,200	17,066,200	100%	N/A
2022	17,219,705	17,219,705	100%	N/A
2023	17,473,532	17,473,532	100%	N/A

**Wallington Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Population	Per Capita
	General Obligation Bonds				
2014	\$ 2,383,000	\$	2,383,000	11,534	\$ 207
2015	4,677,000		4,677,000	11,565	404
2016	4,502,000		4,502,000	11,554	390
2017	4,187,000		4,187,000	11,582	362
2018	3,862,000		3,862,000	11,544	335
2019	3,522,000		3,522,000	11,495	306
2020	3,177,000		3,177,000	11,574	274
2021	2,817,000		2,817,000	11,804	239
2022	2,447,000		2,447,000	11,786	208
2023	2,067,000		2,067,000	11,786	E 175

Source: District records

E - Estimate

Wallington Board of Education
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2014	\$ 2,383,000	\$ 2	\$ 2,382,998	0.25%	\$ 207
2015	4,677,000	1,367	4,675,633	0.50%	404
2016	4,502,000	1	4,501,999	0.48%	390
2017	4,187,000	2	4,186,998	0.44%	362
2018	3,862,000		3,862,000	0.41%	335
2019	3,522,000	269,307	3,252,693	0.34%	283
2020	3,177,000	4	3,176,996	0.33%	274
2021	2,817,000	3	2,816,997	0.29%	239
2022	2,447,000		2,447,000	0.25%	208
2023	2,067,000		2,067,000	0.21%	175

Source: District records

Note:

a See Exhibit J-6 for property tax data

b See Exhibit J-14 for population data

**Wallington Board of Education
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022
(Unaudited)**

	Gross Debt	Deductions	Net Debt
Direct Debt: (1)			
Wallington Borough Public Schools	\$ 9,570,530	\$ 9,570,530	-
Borough of Wallington	15,877,097	6,106,685	\$ 9,770,412
	\$ 25,447,627	\$ 15,677,215	9,770,412
 Overlapping Debt Apportioned to the Municipality:			
County of Bergen Borough's Share (A)			6,544,363
Passaic Valley Sewerage Commission (B)			2,054,235
			8,598,598
Total Direct and Overlapping Debt			\$ 18,369,010

Source:

(1) Borough's 2022 Annual Debt Statement

(A) The debt for this entity was apportioned to the Borough of Wallington by dividing the municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.

(B) The debt was computed based upon dividing the Borough's 2022 Billing by the total 2022 billings of the Commission.

**Wallington Board of Education
Legal Debt Margin Information
Last Ten Fiscal years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2022	\$ 1,394,475,680
2021	1,315,821,297
2020	1,213,393,894
	<u>\$ 3,923,690,871</u>
Average equalized valuation of taxable property	<u>\$ 1,307,896,957</u>
Debt limit (4% of average equalization value)	\$ 52,315,878 a
Total Net Debt Applicable to Limit	<u>9,345,530</u>
Legal debt margin	<u>\$ 42,970,348</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 40,065,885	\$ 39,164,219	\$ 38,657,519	\$ 38,743,522	\$ 39,908,722	\$ 41,612,264	\$ 43,813,751	\$ 46,013,062	\$ 49,048,140	\$ 52,315,878
Total net debt applicable to limit	<u>2,383,000</u>	<u>4,677,000</u>	<u>4,502,000</u>	<u>4,187,000</u>	<u>3,862,000</u>	<u>3,522,000</u>	<u>3,177,000</u>	<u>2,817,000</u>	<u>2,447,000</u>	<u>9,345,530</u>
Legal debt margin	<u>\$ 37,682,885</u>	<u>\$ 34,487,219</u>	<u>\$ 34,155,519</u>	<u>\$ 34,556,522</u>	<u>\$ 36,046,722</u>	<u>\$ 38,090,264</u>	<u>\$ 40,636,751</u>	<u>\$ 43,196,062</u>	<u>\$ 46,601,140</u>	<u>\$ 42,970,348</u>
Total net debt applicable to the limit as a percentage of debt limit	5.95%	11.94%	11.65%	10.81%	9.68%	8.46%	7.25%	6.12%	4.99%	17.86%

Source: Equalized valuation bases were obtained from the Annual Report of the States of New Jersey Department of Treasury, Division of Taxation

**Wallington Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited**

Year	Unemployment Rate		Per Capita Income		School District Population	
2014	7.50%		73,883		11,534	
2015	6.10%		77,323		11,565	
2016	5.50%		78,836		11,554	
2017	5.10%		81,024		11,582	
2018	4.50%		85,191		11,544	
2019	4.20%		88,241		11,495	
2020	11.90%		91,972		11,574	
2021	7.80%		97,343		11,804	
2022	4.20%	E	97,343		11,786	
2023	N/A	E	97,343	E	11,786	E

Source: County Information vs. Municipality Information

E Estimate

N/A Not Available

Source : United States Bureau of Census

Wallington Board of Education
Principal Employers
Current Year and Nine Years Ago
Unaudited

	2023		2014	
	Employers	Employees	Employees	Rank (Optional)

This information is not available

This information is not available

**Wallington Board of Education
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited**

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction:										
Regular	92	94	95	96	95	101	98	99	101	94
Special Education	5	5	5	6	7	8	8	10	11	15
Other Special Education	5	6	6	6	6	7	8	7	8	15
Other instruction	10	10	10	10	10	10	10	10	10	4
Support Services:										
General administrative services	4	4	4	4	4	4	4	4	4	4
School administrative services	7	7	7	7	7	7	7	7	7	7
Other Administrative Services	4	4	4	4	4	5	5	5	5	5
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	2	2	2	2	2	2	2	2	2	2
Plant Operation and Maintenance	8	7	6	5	5	6	6	6	6	6
Total	140	142	142	143	143	153	151	153	157	155

Source: District Personnel Records

**Wallington Board of Education
Operating Statistics
Last Ten Fiscal Years
(Unaudited)**

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Elementary	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	1,195.0	\$ 18,891,677	\$ 15,809	5.85%	112	1:13.5	1:12.8	1,183.5	1,123.1	-1.28%	94.90%
2015	1,345.0	19,426,106	14,443	-8.64%	115	1:11.1	1:11.5	1,290.6	1,219.2	9.05%	94.47%
2016	1,292.0	21,171,622	16,387	13.46%	116	1:10.6	1:14.1	1,293.1	1,251.1	0.19%	96.75%
2017	1,283.0	22,111,315	17,234	5.17%	118	1:10.4	1:14.3	1,276.6	1,204.8	-1.28%	94.38%
2018	1,271.0	22,656,803	17,826	3.43%	118	1:13.4	1:11.9	1,260.9	1,202.7	-1.23%	95.38%
2019	1,231.0	23,839,638	19,366	8.64%	126	1:11.9	1:12.1	1,223.9	1,172.0	-2.93%	95.76%
2020	1,222.0	24,476,084	20,030	3.43%	124	1:13.9	1:11.1	1,217.5	1,180.0	-0.52%	96.92%
2021	1,258.0	25,569,601	20,326	1.48%	126	1:9.4	1:11.9	1,197.5	1,170.2	-1.64%	97.72%
2022	1,264.0	27,257,378	21,564	6.09%	130	1:10.1	1:13	1,184.5	1,163.8	-1.09%	98.25%
2023	1,256.0	27,538,446	21,926	1.67%	128	1:9.9	1:15	1,187.9	1,118.4	0.29%	94.15%

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

**Wallington Board of Education
School Building Information
Last Ten Fiscal Years
Unaudited**

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jefferson Elementary										
Square Feet	19,279	24,493	24,493	24,493	24,493	24,493	24,493	24,493	24,493	24,493
Capacity (students)	132	241	241	241	241	241	241	241	241	241
Enrollment	269	303	306	289	248	274	274	284	274	315
Gavlak Elementary School										
Square Feet	36,297	36,350	36,350	36,350	36,350	36,350	36,350	36,350	36,350	36,350
Capacity (students)	283	283	283	283	283	283	283	283	283	283
Enrollment	398	445	436	437	448	422	422	418	396	389
High School										
Square Feet	66,109	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500	76,500
Capacity (students)	212	212	212	212	212	212	212	212	212	212
Enrollment	512	542	538	554	557	572	573	609	603	648

Number of Schools at June 30, 2022
 Elementary = 2
 High Schools = 1

Source: District records, ASSA

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

Wallington Board of Education
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

Undistributed expenditures - required maintenance for school facilities

Facility	Year ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Jefferson - Elementary	\$ 52,594	\$ 41,341	\$ 21,581	\$ 15,755	\$ 26,568	\$ 18,009	\$ 43,423	\$ 42,693	\$ 42,310	\$ 53,182
Frank W. Gavlak - Middle School	43,093	61,354	60,850	44,422	59,437	62,783	37,066	48,760	27,181	46,333
Wallington High School	164,371	133,609	101,149	73,843	93,230	86,373	69,487	95,749	41,116	109,141
District Total	\$ 260,058	\$ 236,304	\$ 183,580	\$ 134,020	\$ 179,235	\$ 167,165	\$ 149,976	\$ 187,202	\$ 110,607	\$ 208,656

Source: District records.

**Wallington Board of Education
Insurance Schedule
June 30, 2023
Unaudited**

	<u>Coverage</u>	<u>Deductible/ Retention</u>
School Package Policy (School Alliance Insurance Fund)		
Buildings and Contents (Per Occurrence)	\$ 500,000,000	\$ 100,000 per Occurrence
Boiler and Machinery (Per Occurrence)	100,000,000	50,000 per Occurrence
Cyber Liability (per occurrence)	2,000,000	50,000 or 100000 per Occurrence
General Liability and Automobile Liability (Per Occurrence)	5,000,000	100,000 per Occurrence
School Leaders Professional Liability (Per Claim/Aggregate)	5,000,000	300,000 per Claim
Workers' Compensation (Per Occurrence/Aggregate)	5,000,000	100,000 per Occurrence
Public Official Bonds		
Treasurer	250,000	
Blanket Dishonesty bond	500,000 per loss	1,000 each loss

Source: District Insurance records.

Single Audit Section

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 Auditors' Report

The Honorable President and Members
of the Board of Trustees
Wallington Board of Education
Wallington, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Wallington Board of Education, in the County of Bergen, New Jersey (the "Board") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated January 2, 2024.

Internal Control Over Financial Reporting

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

PKF O'CONNOR DAVIES, LLP
300 Tice Blvd, Suite 315, Woodcliff Lake, NJ 07677 | Tel: 201.712.9800 | Fax: 201.712.0988 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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 or significant deficiencies may exist that were not identified.

ompliance and Other Matters

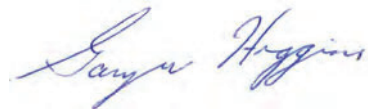
As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 2, 2024



Gary W. Higgins, CPA
Licensed Public School Accountant, No. 814

Report on Compliance For Each Major Federal and State Program and
Report on Internal Control Over Compliance Required by the
Uniform Guidance and the New Jersey OMB Circular

Independent Auditors' Report

The Honorable President and Members
of the Board of Trustees
Wallington Board of Education
Wallington, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Wallington Board of Education, in the County of Bergen, New Jersey (the "District") compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States ("Government Auditing Standards"), the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

PKF O'CONNOR DAVIES, LLP
300 Tice Blvd, Suite 315, Woodcliff Lake, NJ 07677 | Tel: 201.712.9800 | Fax: 201.712.0988 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, the Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
January 2, 2024



Gary W. Higgins, CPA
Licensed Public School Accountant, No. 814

Wallington Board of Education

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant Period	Award Amount	Balance, June 30, 2022			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2023			Amounts Provided to Subrecipients
					Unearned Revenue	(Accounts Receivable)	Due to Grantor				Unearned Revenue	(Accounts Receivable)	Due to Grantor	
General Fund:														
U.S. Department of Health and Human Services Passed through the New Jersey Department of Education														
Medical Assistance Program- SEMI	93.778	2005NJSMAP	7/1/22 - 6/30/23	\$ 99,562	-	-	-	\$ 99,562	\$ (99,562)	-	-	-	-	-
Total General Fund					-	-	-	99,562	(99,562)	-	-	-	-	-
U.S. Department of Education—Passed-Through State Department of Education														
Special Revenue Fund:														
Title I, Part A	84.010	S010A210030	7/1/21 - 9/30/22	203,885		\$(7,521)		74,575	(54)					
Title I, Part A	84.010	S010A220030	7/1/22 - 9/30/23	240,848				166,151	(166,097)		\$ 54			
Special Education Grant Cluster														
IDEA Part B	84.027	H027A220100	7/1/22 - 9/30/23	277,652				277,652	(277,652)					
COVID-19 ARP IDEA Basic	84.027X	H027X210100	7/1/21-9/30/22	58,662		(11,097)		18,600	(18,749)		\$ (11,246)			
COVID-19 ARP IDEA Preschool	84.173X	H073X210114	7/1/21-9/30/22	4,991		-		4,991	(4,991)		-			
IDEA Preschool	84.173	H173A220114	7/1/22 - 9/30/23	8,165				8,165	(8,165)					
Subtotal of Special Education Grant Cluster					-	(11,097)	-	309,408	(309,557)	-	(11,246)	-	-	-
Title II, Part A														
Title II, Part A	84.367A	S367A210029	7/1/21 - 9/30/22	56,953		(1,964)		1,964						
Title II, Part A	84.367A	S367A220029	7/1/22 - 9/30/23	76,240		-		17,219	(32,145)		(14,926)			
Title IV														
Title IV	84.424	S424A210031	7/1/21 - 9/30/22	16,004		(1,600)		1,600						
Title IV	84.424	S424A220031	7/1/22 - 9/30/23	17,114		-		8,674	(17,064)		(8,390)			
Language Instruction for English Learners and Immigrant Students														
Title III	84.365	S365A210030	7/1/21 - 9/30/22	21,190		(7,041)		7,041						
Title III	84.365	S365A220030	7/1/22 - 9/30/23	23,246		-		12,853	(16,579)		(3,726)			
Title III Immigrant	84.365	S365A220030	7/1/22 - 9/30/23	5,179		-		1,393	(3,830)		(2,437)			
Subtotal Language Instruction for English Learners and Immigrant Students					-	(7,041)	-	21,287	(20,409)	-	(6,163)	-	-	-
Elementary and Secondary School Emergency Relief (ESSER):														
COVID-19 CARES Emergency Relief (ESSER I)	84.425D	S425D200027	3/13/20 - 9/30/22	185,510		(360)					(360)			
COVID-19 CRRSA ESSER II	84.425D	S425D210027	3/13/20 - 9/30/23	718,634		(12,911)			(135,073)		(35,383)			
COVID-19 CRRSA ESSER II - Learning Acceleration	84.425D	S425D210027	3/13/20 - 9/30/23	46,119		(2,880)		4,478	(1,598)		-			
COVID-19 CRRSA ESSER II - Mental Health	84.425D	S425D210027	3/13/20 - 9/30/23	45,000		(4,428)		10,300	(6,700)		(828)			
COVID-19 ARP-ESSER - Homeless Children and Youth	84.425W	S425W210027	4/23/21-9/30/24	7,580				1,063	(1,063)		-			
COVID 19 - ARP - Accelerated Learning Coaching and Educator Support Grant	84.425U	S425U210027	3/13/20-9/30/24	117,713				44,780	(47,326)		(2,546)			
COVID-19 ARP-ESSER	84.425U	S425U210027	3/13/20-9/30/24	1,615,083				676,047	(682,829)		(6,782)			
COVID 19 - ARP - Evidenced Based Beyond the School Day Activities Grant	84.425D	S425D210027	3/13/20-9/13/24	40,000				3,350	(3,350)		-			
COVID-19 ARP (ESSER II)	84.425U	S425U210027	3/13/20-9/13/24	532,000		(507,197)		507,197			-			
COVID-19 CRF Digital Divide	84.425D	S425D210027	7/16/20-10/31/20	151,461	\$ 95					\$ 95	-	-	-	-
Subtotal Elementary and Secondary School Emergency Relief (ESSER) Cluster					95	(527,776)	-	1,359,816	(877,939)	-	95	(45,899)	-	-
Total U.S. Department of Education—Passed-Through State Department of Education														
U.S. Department of the Treasury—Passed-Through State Department of Education														
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ACSERS)	21.027	SLFRFDOE1SES	7/1/22 - 9/30/23	163,777				163,777	(163,777)					
Total U.S. Department of the Treasury Passed-Through State Department of Education								163,777	(163,777)					
Total Special Revenue Fund					95	(623,999)	-	2,124,471	(1,587,042)	-	149	(86,624)	-	-
U.S. Department of Agriculture—Passed-Through State Department of Agriculture														
Enterprise Fund:														
Child Nutrition Cluster														
School Breakfast Program	10.553	221NJ304N1099	7/1/21 - 6/30/22	22,884		(2,371)		2,371			-			
School Breakfast Program	10.553	211NJ304N1099	7/1/22 - 6/30/23	149,977				139,581	(149,977)		(10,396)			
National School Lunch Program	10.555	221NJ304N1099	7/1/21 - 6/30/22	295,117		(28,283)		28,283			-			
National School Lunch Program	10.555	211NJ304N1099	7/1/22 - 6/30/23	13,534				12,444	(13,534)		(1,090)			
COVID-19 Supply Chain Grant	10.555	211NJ344N8903	7/1/21 - 6/30/22	27,879	-	-	-	27,879		-	-	-	-	-
COVID-19 Supply Chain Grant	10.555	221NJ344N8903	7/1/22 - 6/30/23	25,733	-	-	-	25,733		-	-	-	-	-
COVID-19 Supply Chain Grant	10.555	231NJ344N8903	7/1/22 - 6/30/23	14,351	-	-	-	14,351		-	-	-	-	-
Total Child Nutrition Cluster						(30,654)		250,642	(231,474)		(11,486)			
Total Enterprise Fund						(30,654)		250,642	(231,474)		(11,486)			
Total Expenditures of Federal Awards					\$ 95	\$ (654,653)	\$ -	\$ 2,474,675	\$ (1,918,078)	\$ -	\$ 149	\$ (98,110)	\$ -	\$ -

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

NC - noncash expenditures.

Wallington Board of Education
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2022			Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2023			Memo	
				Unearned Revenue	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Special Education Categorical Aid	495-034-5120-089	7/1/21 - 6/30/22	\$ 1,179,528	\$ (111,818)			\$ 111,818								
Special Education Categorical Aid	495-034-5120-089	7/1/22 - 6/30/23	1,179,528				1,066,516	(1,179,528)				(113,012)			(1,179,528)
Equalization Aid	495-034-5120-078	7/1/21 - 6/30/22	4,388,875	(416,062)			416,062								
Equalization Aid	495-034-5120-078	7/1/22 - 6/30/23	5,020,407	-			4,539,394	(5,020,407)				(481,013)			(5,020,407)
Transportation Aid	495-034-5120-014	7/1/21 - 6/30/22	166,028	(15,739)			15,739								
Transportation Aid	495-034-5120-014	7/1/22 - 6/30/23	166,028	-			150,121	(166,028)				(15,907)			(166,028)
Security Aid	495-034-5120-084	7/1/21 - 6/30/22	258,918	(24,545)			24,545								
Security Aid	495-034-5120-084	7/1/22 - 6/30/23	258,918	-			234,111	(258,918)				(24,807)			(258,918)
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/22 - 6/30/23	3,106,199				3,106,199	(3,106,199)							(3,106,199)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/22 - 6/30/23	815,991				815,991	(815,991)							(815,991)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/22 - 6/30/23	1,293				1,293	(1,293)							(1,293)
Reimbursed TPAF - Social Security	495-034-5094-003	7/1/22 - 6/30/23	656,813				591,695	(656,813)				(65,118)			(656,813)
Extraordinary Special Education Aid	495-034-5120-044	7/1/21 - 6/30/22	374,237	(374,237)			374,237					-			
Extraordinary Special Education Aid	495-034-5120-044	7/1/22 - 6/30/23	286,351	-			-	(286,351)				(286,351)			(286,351)
Total General Fund				(942,401)			11,447,721	(11,491,528)				(986,208)			(11,491,528)
Special Revenue Fund:															
Security Grant	588-034-5120-001	7/1/22 - 6/30/23	70,558				70,558	(70,558)							(70,558)
Climate Awareness Grant	100-034-5063-359	7/1/22 - 6/30/23	6,660				3,350	(6,660)				(3,310)			(6,660)
SDA Emergent Needs and Capital Maintenance	20-492-200-500-20-000	7/1/22 - 6/30/23	29,394				29,394	(29,394)							(29,394)
Total Special Revenue Fund				-	-	-	103,302	(106,612)	-	-		(3,310)	-		(106,612)
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program (State share)	100-010-3350-023	7/1/21 - 6/30/22	6,930	(651)			651								
State School Lunch Program (State share)	100-010-3350-023	7/1/22 - 6/30/23	5,924				5,514	(5,924)				(410)			(5,924)
State School Breakfast Program (State share)	100-010-3350-023	7/1/22 - 6/30/23	529				483	(529)				(46)			(529)
Total Enterprise Fund				(651)	-	-	6,648	(6,453)	-	-		(456)	-		(6,453)
Total expenditures of State Awards				\$ (943,052)			\$ 11,557,671	\$ (11,604,593)				\$ (989,974)			\$ (11,604,593)
State Financial Assistance Not Subject to Single Audit Determination:															
On-Behalf TPAF - Pension Contribution	495-034-5094-002	7/1/22 - 6/30/23	3,106,199				3,106,199	(3,106,199)							(3,106,199)
On-Behalf TPAF - Post-Retirement Medical	495-034-5094-001	7/1/22 - 6/30/23	815,991				815,991	(815,991)							(815,991)
On-Behalf TPAF - Long-Term Disability Insurance	495-034-5094-004	7/1/22 - 6/30/23	1,293				1,293	(1,293)							(1,293)
Total On-Behalf State Financial Assistance							3,923,483	(3,923,483)							(3,923,483)
Total State Financial Assistance Subject to Single Audit Determination															
				\$ (943,052)			\$ 7,634,188	\$ (7,681,110)				\$ (989,974)			\$ (7,681,110)

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Wallington 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$66,575 for the general fund and none 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	\$ 99,562	\$ 11,424,953	\$ 11,524,515
Special Revenue Fund	1,587,042	106,612	1,693,654
Food Service Fund	<u>231,474</u>	<u>6,453</u>	<u>237,927</u>
Total Financial Assistance	<u>\$ 1,918,078</u>	<u>\$ 11,538,018</u>	<u>\$ 13,456,096</u>

**WALLINGTON BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 \$656,813 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$3,106,199, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$815,991 and TPAF Long-Term Disability Insurance in the amount of \$1,293 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023. The TPAF social security contributions and on-behalf contributions are allocated between the general fund and certain enterprise funds in the financial statements as follows:

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

Wallington Board of Education

Schedule of Findings and Questioned Costs

Year ended June 30, 2023

Part I – Summary of Auditors’ Results

Financial Statements Section

Type of auditors’ report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Are any material weaknesses identified?	<u> </u> Yes	<u> X </u>	No
Are any significant deficiencies identified?	<u> </u> Yes	<u> X </u>	None Reported
Is any noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u>	No

Federal Awards

Internal control over major federal programs:			
Are any material weaknesses identified?	<u> </u> Yes	<u> X </u>	No
Are any significant deficiencies identified?	<u> </u> Yes	<u> X </u>	None Reported
Type of auditors’ report issued on compliance for major federal programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u>	No

Wallington Board of Education

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

Part I - Summary of Auditors' Results (continued)

Identification of major federal programs:

Assistance Listing Number(s)	FAIN Numbers	Name of Federal Program or Cluster
84.425D	S425D210027	COVID-19-CARES Act – CRRSA - ESSER II
84.425U	S425U210027	COVID-19 - ARP – ESSER II
84.425W	S425W210027	COVID-19 – ARP – HOMELESS II

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000 _____

Auditee qualified as low-risk auditee? X Yes _____ No

Wallington Board of Education

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

Part I - Summary of Auditors' Results (continued)

State Financial Assistance Section

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major state programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster State Aid Cluster:
495-034-5120-089 495-034-5120-084	Special Education Categorical Aid Security Aid
495-034-5120-078	Equalization Aid

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Wallington Board of Education
Schedule of Findings and Questioned Costs
Year ended June 30, 2023

Part II – Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraph 5.18 through 5.20 of *Government Auditing Standards*.

No financial statement findings noted that are required to be reported under *Government Auditing Standards*

Wallington Board of Education

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2023

Part III – Schedule of Federal Awards and State Financial Assistance 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 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

Federal Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

State Financial Assistance Programs

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey State OMB Circular 15-08.